March 2, 2026

U.S. Department of the Interior, Director (630)
Bureau of Land Management
1849 C St. NW, Room 5646
Washington, DC 20240
Attn: 1004-AF38

Re: OMB Control Number 1004-0137 (RIN 1004-AF38) / (Docket BLM–2025–0070)

To Whom It May Concern:

The American Petroleum Institute ("API"), American Exploration & Production Council ("AXPC"), Independent Petroleum Association of America ("IPAA"), GPA Midstream Association, Colorado Oil and Gas Association ("COGA"), Montana Petroleum Association ("MPA"), New Mexico Oil and Gas Association ("NMOGA"), North Dakota Petroleum Council ("NDPC"), the Petroleum Alliance of Oklahoma, the Petroleum Association of Wyoming, and the Utah Petroleum Association - collectively "The Associations" - respectfully submit the following coalition comments on the Bureau of Land Management's ("BLM") information collection request ("ICR") for the proposed Requirements for Site Security and Production Handling; Applying for Commingling and Allocation Approval ("Proposed Rule") that was published in the Federal Register on January 30, 2026.[1] In accordance with the Paperwork Reduction Act ("PRA") of 1995,

[1] 91 Fed. Reg. 4045 (January 30, 2026).

BLM submitted an ICR to the Office of Management and Budget ("OMB") for review and approval under 44 U.S.C. § 3507(d).

Generally, we are grateful for the Administration's public commitment to facilitate the clear preference Congress expressed for commingling, as expressed in press releases and the preamble of the Proposed Rule. We agree that commingling is a valuable tool with the potential to reduce duplicative surface infrastructure, prevent stranded assets, reduce production costs, and enhance return to stakeholders.

Unfortunately, the Proposed Rule contains a restrictive framework supported by new requirements that are either overly burdensome for applicants and field offices to apply, or too vague and discretionary to be applied consistently. **Individually, any of these obstacles would contravene Congressional intent by effectively prohibiting commingling in many contexts. Collectively, the extent of the new regulatory obligations exceeding Congressionally-authorized requirements does not align with the President's de-regulatory agenda.**

Although our substantive comments will raise these issues in considerably more detail, we would like to flag the largest challenges with the Proposed Rule well before the conclusion of the public comment period to highlight where critical edits could make a substantial difference to the ICR and regulatory impact considerations.

We look forward to working with BLM to tailor the required provisions to avoid unintended consequences, fulfill the Congressional intent for increased commingling, and solidify another valuable building block in the President's legacy of energy dominance.

TABLE OF CONTENTS

I. About the Associations

API is a national trade association representing approximately 600 member companies involved in all aspects of the oil and natural gas industry. API's members include producers, refiners, suppliers, pipeline operators, and marine transporters, as well as service and supply companies that support all segments of the industry. API and its members are dedicated to meeting environmental requirements while economically developing and supplying energy resources for consumers. Our members lease, explore, and produce oil and gas on federal lands, giving them a substantial interest in this rulemaking.

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.

GPA Midstream Association is composed of approximately 50 corporate members that directly employ over 57,000 employees that are engaged in the gathering, transportation, processing, treating, storage and marketing of natural gas, natural gas liquids (NGLs), crude oil, and refined products, commonly referred to in the industry as "midstream activities." In 2024, GPA Midstream members operated more than 500,000 miles of pipelines, gathered nearly 91 Bcf/d of natural gas, and operated more than 340 natural gas processing facilities. Our members are an invisible link between raw natural gas and crude oil produced at the wellhead and the distribution of products to consumers for heating, electricity production, transportation, steelmaking, fertilizer production, plastics, high-tech devices, cosmetics, pharmaceuticals, and much more.

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.

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.

Established in 1952, **NDPC** is a trade association that represents more than 550 companies involved in all aspects of the oil and gas industry, including oil and gas production, refining, pipelines, transportation, mineral leasing, consulting, legal work, and oil field service activities in North Dakota, South Dakota, and the Rocky Mountain Region. Our members have an extensive history of responsible oil and gas development and environmental stewardship in North Dakota, which boasts some of the cleanest air and water in the country.

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.

The **PAW** represents companies involved in all aspects of responsible oil and natural gas development in Wyoming, including upstream production, oilfield services, midstream

processing, pipeline transportation and essential work such as legal services, accounting, consulting and more.

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.

II. On a practical level, new and unnecessary requirements in the Proposed Rule will make commingling nearly impossible. These requirements contradict Congressional intent and may render the Proposed Rule regulatory rather than de-regulatory.

The 2025 One Big Beautiful Bill Act ("OBBB")[2] was intended to provide greater flexibility to encourage commingling, instructing that the Secretary of the Interior "shall approve" any of three alternatives; however, new requirements in the Proposed Rule would function to limit commingling approvals – potentially resulting in fewer approved commingling applications than under the existing restrictive federal regulatory framework that Congress worked to expand.

To ensure that this Proposed Rule is considered de-regulatory rather than regulatory, it needs to align with Congressional intent and unnecessary restrictions must be removed.

A. Consent from all mineral owners (as newly required in the Proposed Rule) is unworkable.

The Proposed Rule's Section 3173.14(a)(5) introduces a new requirement to provide a certified mail notice to all owners, including private and state interests.[3] In addition to being inconsistent with existing commingling practices, this requirement should be removed because it adds unnecessary federal overreach into an area traditionally governed by state agencies. Entities like the New Mexico Oil Conservation Division, the North Dakota Oil and Gas Division, and the Oklahoma Corporation Commission already regulate notice requirements. Similar frameworks exist or are developing in other states, including Wyoming and Colorado.

Confusingly, the Proposed Rule's Section 3173.15(l) requires "documentation demonstrating that all interest owners, such as private, State, or Indian, consent to both the CAA

[2] One Big Beautiful Bill Act, Pub. L. No. 119-21 (2025).
[3] 91 Fed. Reg. at 4053.

and the BLM's inspection."[4] This directly conflicts with the Proposed Rule's Section 3173.14(a)(5), which references notice rather than consent.

Unfortunately, universal consent is virtually impossible to obtain because a typical spacing unit can include anywhere from 200 – 400 individual mineral owners, many of whom are unknown, unlocatable, or deceased with disputed estates. Universal consent is therefore an impractical moving target that would directly impede the Congressional desire to facilitate commingling.

Notably, the OBBB required approval "regardless of ownership" and does not require mineral owner consent.[5] In addition to exceeding Congressional intent, this requirement is unnecessary because state pooling law binds private mineral owners even without individual consent.

B. Listing all impacted private leases is a new requirement and is essentially impossible due to the lack of publicly available information.

Section 3173.15(d) of the Proposed Rule requires listing "all Federal, Indian, State, or private leases with lease numbers."[6] This creates a substantial barrier that is not fully recognized in the existing ICR. For example:

- Large facilities may involve hundreds of private leases with different operators.
- Private lease numbers are often not public information and frequently are not held in easily accessible formats (e.g., a centralized database).
- The operator proposing the Commingling and Allocation Approval ("CAA") often does not have access to other operators' private lease details. Additionally, operators may be governed by confidentiality provisions that prohibit sharing those details outside of certain very limited scenarios.

To underscore how impractical this is, no comparable requirement exists for federal communitization agreements.

To avoid unnecessarily obstructing commingling as well as to reduce the burdens on both applicants and agencies, companies should only be required to list federal and Indian leases. For state and private leases, operators should be able to identify the affected tracts by legal description without individual lease enumeration.

[4] *Id*. at 4054.
[5] OBBB, Section 50101(d)(3).
[6] 91 Fed. Reg. at 4053.

C. The surface access provisions are unnecessary new requirements that essentially provide each owner with a veto – which again functionally limits commingling and impacts the information collection burdens associated with this Proposed Rule.

Section 3173.15(m) requires "documentation demonstrating that the operator has secured all necessary access rights from the surface owner(s)" for BLM inspection.[7] Several key points demonstrate why this is impractical:

- Operators already have access rights under state law.
- The existing Code of Federal Regulations already addresses surface access in the context of off-lease measurement in 43 C.F.R. § 3173.23.
- BLM does not need private surface agreements to exercise federal inspection authority.
- In states like North Dakota, surface owners often have no relationship to development in split-estate situations.
- This requirement would have disproportionate impacts in states including Wyoming and Colorado, where facilities are often located on private surface lands with minimal federal private surface and minimal federal Net Revenue Interest ("NRI").
- Anti-development surface owners could refuse access merely to block development and commingling.

This requirement is therefore both redundant and unnecessary, and again, impedes the Congressional preference for additional commingling. The additional requirement would increase the burden on companies and Agencies without providing any additional meaningful benefit.

III. The Proposed Rule contains significant technical obstacles, which will function to discourage operators from applying for commingling and the BLM from approving applications.

Assuming companies could manage to overcome the practical obstacles mentioned above, companies and BLM field offices would still face significant technical uncertainty regarding the correct and consistent interpretation of critical technical standards as well as the documentation necessary to demonstrate satisfying those standards – in both original reviews and audit situations.

[7] *Id.* at 4054.

The combined uncertainty would likely challenge both applicants and approvers - and therefore would certainly function to deter rather than encourage commingling.

A. The measurement uncertainty requirements lack sufficient clarity, again impacting information collection burdens for both companies and the BLM.

Under the Proposed Rule, an "acceptable methodology" requires +/- 2% uncertainty or +/- 5% with justification "between the allocation point and the FMP".[8] However, the Proposed Rule lacks granularity explaining critical items including but not limited to the following:

- how to calculate uncertainty; how to document compliance;
- whether "between the allocation point and the FMP" refers to the cumulative uncertainty of the entire allocation and measurement system including multiple meters; and
- what constitutes adequate "technical and economic justification."[9]

Without clear standards, every application becomes a subjective negotiation. Operators will not know whether their prospective methodology will be approved. BLM will not have criteria for consistency among different applications or field offices; therefore, field offices may decline commingling applications for lack of clear guidance. Furthermore, auditors will have no basis for determining whether decisions were appropriate. Even if a technical guidance document is later issued, safe harbor methodologies must be embedded in the rules.

Several states have adopted rules and procedures for periodic well testing; consequently, some operators rely heavily on the use of these methods for allocation. BLM needs to examine the procedures for periodic well testing used by Western oil and gas producing states and adopt a compatible approach.

The Proposed Rule also fails to provide any guidance on what periodic well testing methodologies meet the definition of an "acceptable methodology."[10] For example, API believes that methodologies set forth in Chapter 20.5 of the API Manual of Petroleum Measurement Standards should qualify as "acceptable methodologies." BLM has incorporated by reference API standards for measurement in other regulations and should follow such precedent here to dispel the ambiguity in the current proposal and align with industry practice.

[8] *Id*. at 4052, §§ 3173.1(a); 3173.14(a)(4)(ii).
[9] *Id*., § 3173.1(a).
[10] *Id.*

IV. Beyond the practical and technical issues, restrictive new grandfathering provisions would require re-approval for any change – creating a substantial and unnecessary workload for both the BLM and companies that is also not factored into the ICR.

Section 3173.16 of the Proposed Rule allows existing CAAs to remain in effect; however, any "modification to existing leases, unit PAs, or CAs within the approved CAA" requires complete reapplication.[11]

This provision is far from sufficiently robust and would require a number of redundant filings that would increase the information collection burdens on both companies and agencies, as well as introduce unmanageable regulatory uncertainties into the commingling process.

"Modifications" is undefined and potentially very broad. Any number of modifications could force reapplications, including, for example, PA expansions. This would mean that any time an operator reapplied for a commingling permit, approvals already granted could be put in question - creating unmanageable risk barriers and making the process even more restrictive than under current regulation.

For manageability, only modifications involving changes to the allocation method should require a reapplication.

Moreover, clarification on the types of modifications requiring a sundry versus reapplication should be added to the rule.

To avoid a situation where the potentially unlimited requirement for reapplications would substantially increase the uncertainty and burden for companies and Agencies without providing additional benefit, all currently approved commingling applications – particularly those approved under the expansive intent of the OBBB – should be honored, with routine operational changes handled via sundry rather than full reapplication. Any other approach would essentially "trap" existing CAAs and incentivize operators to avoid associated improvements.

V. The framework for commingling in the Proposed Rule contravenes Congressional intent and substantially increases the information collection burdens on companies and Agencies.

As the Proposed Rule correctly notes, Section 50101(d)(3) of the OBBB contains expansive language relating to commingling:

[11] *Id.* at 4054.

> "(q) COMMINGLING OF PRODUCTION – The Secretary of the Interior shall approve commingling applications allowing for the commingling of production from 2 or more sources (including the area of an oil and gas lease, the area included in a drilling spacing unit, a unit participating area, a communitized area, or non-Federal property) before production reaches the point of royalty measurement regardless of ownership, the royalty rates, and the number of percentage acres for each source if the applicant agrees to install measurement devices for each source, utilize an allocation method that achieves volume measurement uncertainty levels within plus or minus 2 percent during the production phase reported on a monthly basis, or utilize an approved periodic well testing methodology. Production from multiple oil and gas leases, drilling spacing units, communitized areas, or participating areas from a single wellbore shall be considered a single source. Nothing in this subsection shall prevent the Secretary of the Interior from continuing the current practice of exercising discretion to authorize higher percentage volume measurement uncertainty levels if appropriate technical and economic justifications have been provided."[12]

A. OBBB outlined three criteria under which DOI shall approve commingling, which were expressed as three different methodological alternatives linked by an "or". Though the Proposed Rule repeats the OBBB criteria in the definition section, the "conditions of approval" section of the Proposed Rule effectively omits the third and arguably most important option – namely the use of an approved well testing methodology." This omission alone is a far higher bar than Congress imposed and substantially restricts opportunities for commingling in a way that could render the ICR assumptions inaccurate – especially with regards to promoting regulatory flexibility, predictability, and freedom of choice for the public.

In OBBB, Section 5010(d)(3) clearly directs the Secretary to "approve applications allowing for commingling of production from 2 or more sources" when applicants demonstrate one of three options:

- Installing measurement devices for each source, OR
- Utilizing an allocation method achieving +/- 2% uncertainty; OR
- Utilize an approved periodic well testing methodology.[13]

In guidance issued to field offices in August 2025, BLM demonstrated their understanding of these alternatives by stating that "FOs will review commingling applications to ensure that the applicant agrees to install measurement devices for each source, uses an allocation method that achieves volume measurement uncertainty within ± 2 percent reported on a monthly basis, or

[12] OBBB, Pub. L. No. 119-21 (2025).
[13] *Id.*

proposes a periodic well testing methodology for approval. FOs may approve applications with a higher uncertainty if the applicant provides appropriate technical and economic justifications. FOs will work with the applicant to resolve applications that do not address one of these three requirements."[14]

Similarly, within the preamble of the Proposed Rule, BLM also correctly explains that the current outdated and restrictive commingling requirements have resulted in unnecessary operational costs, administrative delays, and underutilization of CAAs – especially in areas with mixed ownership, complex spacing rules, or marginal production facilities.[15] BLM explains that the proposed revisions are intended to promote operational efficiency, reduce surface disturbance through centralized facilities, prevent premature abandonment of wells, and ensure accurate royalty accounting while increasing overall production and recovery of federal minerals.

Though BLM's Proposed Rule acknowledges the optionality provided by the OBBB in the rule's definition section, the "conditions of approval" section in the Proposed Rule effectively omits the third and arguably most important option, namely, the use of an approved well testing methodology. Specifically, the Proposed Rule does not outline a clear regulatory path for BLM to approve well testing. Section 3173.14(a)(4) only provides pathways for facilities measurement points compliant with subparts 3174/3175, allocation methods achieving +/- 2% volume-measurement uncertainty, or use of allocation methodologies outlined in subparts 3174/3175.[16] However, Subparts 3174/3175 govern facility measurement points, not well testing protocols.

In short, BLM's Proposed Rule ignores the "or" structure in the OBBB and instead uses an "and" conjunction that would require volume measurement uncertainty levels to fall within +/- 2% for all commingling applications, unless authorized by "overriding considerations".[17] These "overriding considerations" are discretionary and vague, and lack the regulatory certainty needed to drive consistent and predictable reviews and approvals. This is further undermined by the fact that approved well testing standards or protocols are missing from the Proposed Rule.

If the "and" structure is maintained, only a marginal increase (if any at all) - in commingling can be expected. Therefore, the ICR assumptions should be adjusted in order for the rule to support deregulation rather than stricter regulation. If BLM returns to the "or" structure intended by Congress, significant increases in commingling more commensurate with the ICR estimates and Regulatory Impact Analysis can be expected – provided, of course, that the other issues described above are also appropriately addressed.

---

[14] *Commingling of Oil and Gas Production,* BLM Instructional Memoranda 2025-034, available at https://www.blm.gov/policy/im-2025-034.
[15] *See* 91 Fed. Reg. at 4045.
[16] *Id*. at 4052-53.
[17] *Id*. at 4052, § 3173.14(b)(4).

VI. Conclusion

We appreciate the opportunity to comment on the collection of information contained in this rulemaking and are available for further discussions at your convenience. If you have any questions, please reach out to us.

Sincerely,

Amy Emmert
Senior Policy Advisor
American Petroleum Institute
Email: emmerta@api.org

Wendy Kirchoff
Vice President, Regulatory Policy
Email: wendy.kirchoff@axpc.org

Dan Naatz
Chief Operating Officer and Executive Vice President
Independent Petroleum Association of America
Email: dnaatz@ipaa.org

Stuart Saulters
Vice President, Federal Affairs
GPA Midstream Association
ssaulters@gpamidstream.org

/s/ Lynn Granger

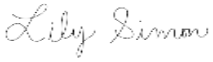
Lynn Granger
President & CEO
Colorado Oil & Gas Association
Email: Lynn.Granger@coga.org

Sonny Capece,
Executive Director
Montana Petroleum Association
Email: sonny@montanapetroleum.org

Missi Currier
President & CEO
New Mexico Oil & Gas Association
Email: missi@nmoga.org

Angie Burckhalter
Senior V.P. of Regulatory & Environmental Affairs
The Petroleum Alliance of Oklahoma
Email: angie@okpetro.com

Ron Ness
President
North Dakota Petroleum Council
Email: ronness@ndoil.org



Lily Simon
Director of Regulatory Affairs
Petroleum Association of Wyoming
Email: lily@pawyo.org

Rikki Hrenko-Browning
President
Utah Petroleum Association
Email: rhrenko-browning@utahpetroleum.org