

Sue Beug, (NPRC):

My name is Susann Beug and I live in Red Lodge Montana, where the first oil wells in Montana were drilled in 1889 not far from where I live. I am also part owner of our family farm on the east slope of the Colorado Rockies with oil and gas development since 1972 in what is known as the Wattenberg Field. I am here representing Northern Plains Resource Council, an affiliate of WORC. Northern Plains Resource Council is a statewide non-profit grassroots organization of approximately 3500 members based in Billings, Montana. I have been advocating for a reform of the BLM rules since 2014, testifying at hearings, and lobbying congress to pass these much-needed updated regulations. That's why I'm glad to see that for the first time in more than 60 years, responsible new federal rules have been proposed for the oil and gas industry that can help protect our health, environment, and our tax dollars. These long overdue, much-needed reforms to BLM's onshore oil and gas program will significantly improve the lives of our members, better Western communities, and protect the American taxpayer. These updated BLM regulations will provide our citizens with a more equitable return on the sale of our natural resources as well as mitigate the backend costs of their extraction.

We must pass and enforce effective new regulations now. Montana has 8 million acres of BLM land as well as thousands of acres of federal mineral rights under privately owned property. We also are home to 7 reservations whose minerals are under BLM management. Oil and gas development is present on much of this land. Under current federal regulation, a statewide bond of only \$25,000.00 is required to drill for oil and gas on the millions of acres of federal land in Montana. In many cases this amount won't even cover the cost to cap and reclaim one well leading to thousands of wells being abandoned at the end of their productive lives. This could leave taxpayers with a potential 181 million dollar bill for the reclamation costs to clean up the wells currently producing on Montana's public lands. Increasing BLM bonding rates will also encourage our state to increase our bonding rates which at present are some of the lowest in the nation.

Along with the costs of capping and reclining abandoned wells we are also losing money during the extractive phase. A Montana-focused report from Taxpayers for Common Sense outlines how Montanans are losing revenue due to below market royalty rates. The report highlights that over the last decade, federal and state taxpayers have lost [\\$123 million](#) in revenue in Montana from below-market royalty rates, outdated rental rates, and other antiquated leasing policies. This is not only unfair but also not the best use of our public lands.

For the previously mentioned reasons and many others I support the BLM's common sense, fiscally responsible updated regulations. We cannot put off this revision of BLM regulations any longer. This finalized rulemaking needs to occur now. I realize that the oil and gas industry puts a lot of dollars into our economy, but the American public deserves a fair return on the natural resources that are being taken. The oil and gas industry is not struggling! In fact, oil and gas companies are currently enjoying billions and billions of dollars of profit. It's time to reevaluate the federal bonding requirements that apply to millions of acres of federal land and minerals in the state of Montana. My vision of the future is wells on public lands here in Montana and all over the West at the end of their productive lives being quickly plugged and the land returned to its previous state or better with no cost to taxpayers, we the owners of our public lands receiving just compensation for the extraction of our natural resources and our sovereign nations and private landowners being better protected.

Thank you for your time.