
Nicole Marking
Rhys Williams
Sammie Oligmueller
Nico Lewis

08 April 2026

Bureau of Ocean Energy Management
Risk Management and Financial Assurance for OCS Lease and Grant Obligations

30 CFR Parts 550, 556, and 590

[Docket No. BOEM-2025-0042]
RIN 1010-AE26

Dear BOEM,

We are natural resource management students at the University of Arizona, and we are writing to speak **against** this proposal regarding Outer Continental Shelf (OCS) Lease and Grant Obligations. The natural resource management program at the University of Arizona prepares us with the most current information regarding management strategies and encourages us to practice ethically and equitably. The BOEM claims to, “manage the development of OCS energy, mineral, and geological resources in an environmentally and economically responsible way.” (II. D) Given our expertise in environmental policy, we are confident in asserting that this proposal is neither environmentally nor economically responsible.

The proposal states it aims to “reduce compliance burdens on the oil and gas industry” within the United States, specifically industries of the waters within a ~500 mile radius of every United States coast. We believe this policy has been created to prevent operational risks that have long threatened the safety of the public. Thus, it is instrumental in ensuring both environmental and fiscal responsibility.

The goal of the proposed action is to undo the 2024 Final Rule, which would only cause harm to the environment. “The 2024 Final Rule [requires] a total of \$6.9 billion in new supplemental financial assurance,” the purpose of which is to help restore the environment by decommissioning oil and gas operations after they are no longer in use. Although the document does not define decommissioning for this purpose, we are inclined to believe it follows the definition provided by the Department of Energy which is “surveillance and maintenance, decontamination and/or dismantlement” for the purpose of “the health and safety of workers and the public and for the protection of the environment.” Should smaller oil and gas companies have the ability to declare bankruptcy without measures in place to ensure a thorough clean-up process, then substantially increased levels of environmental harm are likely to occur as a result. It is abundantly clear that the proposed action comes at the cost of major environmental impacts from these operations. Aside from environmental protection, this proposal would also lead to increased long-term

financial harm by allowing smaller companies to offload risk onto larger guarantors, introducing the possibility of cascading economic impacts in the event that bankruptcy does occur ([sciencedirect](#)). It may also impact human health and safety through chemical contaminants and machinery malfunctions.

Another result of this proposal would be that firms with lower credit ratings would no longer have to hold as much capital in reserve. Firms with credit ratings lower than current standards would have a lower bar to entry into new energy projects; this comes at the cost of increased risk to the overall energy sector if these firms go bankrupt. Currently, firms who do not have the appropriate credit rating to prove long term success have to make up for this increased risk by holding capital in reserve. BOEM states that in the case of a failed project, the “predecessor lessee or the Federal Government would assume decommissioning liability.” Thus, if the government is responsible for decommissioning, taxpayers would be facing a portion of the risk that comes with these new offshore developments. This increased risk is likely to cost the Federal Government **more** than the standing rule with financial assurance.

We are staunchly opposed to the proposed action. If enacted, it would allow financially-risky companies to enter oil, gas, and sulfur leases. Should these firms go bankrupt, the financial burden will be on us, the taxpayers. At a time when over 25% of Americans report struggling financially ([USA Facts](#)) we believe that funds should be prioritized for the public good, rather than the effective subsidization of smaller energy firms. Keeping the regulation as it currently stands is the most responsible course of action, and the choice that we advocate for.

Sincerely,

University of Arizona Students

Nicole Marking- B.S. Natural Resources- Wildlife Conservation and Management

Rhys Williams- B.S. Environmental and Water Resource Economics

Sammie Oligmueller- B.S. Natural Resources- Conservation Biology

Nico Lewis, B.S. Natural Resources- Global Change Ecology and Management