



DEPA DRILLER

DEPA REPORT ON INDUSTRY, LEADERSHIP, LEGISLATION AND ENERGY REGULATION

EPA REVERSES CLEAN POWER PLAN 2.0 IN HISTORIC DEREGULATORY MOVE

In what has been described as the "most consequential day of deregulation in U.S. history," the Environmental Protection Agency (EPA) announced last week the rollback of the Biden administration's Clean Power Plan 2.0, a policy that sought to impose stringent regulations on fossil fuel-fired power plants. This move signals a dramatic shift in energy policy, aligning with the priorities of the Trump administration and emphasizing the need for affordable, reliable energy.

The End of Clean Power Plan 2.0

EPA Administrator Lee Zeldin, in an announcement first obtained by Fox News Digital, reaffirmed the agency's commitment to eliminating regulatory overreach.

"In reconsidering the Biden-Harris rule that ran afoul of Supreme Court case law, we are seeking to ensure that the agency follows the rule of law while providing all Americans with access to reliable and affordable energy," Zeldin stated.

The Clean Power Plan 2.0, finalized in April 2024, was one of the Biden administration's most aggressive climate policies. It mandated that existing coal-fired power plants and new baseload natural gas plants implement carbon capture technology by 2032, with the ultimate goal of eliminating carbon emissions by 2050. Critics warned that such measures would significantly weaken grid reliability and burden American consumers with higher energy costs.

Legal and Industry Challenges

The Clean Power Plan 2.0 faced immediate opposition from conservative lawmakers and industry leaders who argued that the rule was another attempt at unlawful fuel shifting—an issue that had already been addressed in the landmark Supreme Court case *West Virginia v. EPA*. That 2022 decision limited the EPA's authority to broadly regulate carbon emissions without explicit congressional authorization.

"The U.S. Supreme Court struck down the 2015 Clean Power Plan in *West Virginia v. EPA*, holding that the major questions doctrine barred EPA from misusing the Clean Air Act to manipulate Americans' energy choices and shift the balance of the nation's electrical fuel mix," the EPA noted in its press release.

Despite this legal precedent, the Biden administration sought to reintroduce similar policies under the 2.0 framework. Industry experts have long argued that such regulatory uncertainty stifles investment in domestic energy production and places undue burdens on traditional power generation.

A New Era of Deregulation

Last Wednesday's announcement is part of a broader initiative by the EPA under Zeldin's leadership to reverse what he calls

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"The EPA will once again be an exceptional steward of your tax dollars," Zeldin said. "I will have it no other way."





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EPA REVERSES CLEAN POWER PLAN 2.0 CONT'D

the "Woke Green Agenda" of the previous administration. Zeldin highlighted 31 deregulatory actions designed to restore economic freedom and support American energy independence.

"The Environmental Protection Agency is initiating 31 historic actions to fulfill President Trump's promise to unleash American energy, revitalize our auto industry, restore the rule of law, and give power back to the states," Zeldin stated.

Among these actions, the EPA is reconsidering mercury and air toxicity standards, vehicle emissions rules, and the so-called social cost of carbon calculations that have been used to justify expansive climate regulations.

Scrutiny of Climate Grants and Spending

In addition to regulatory rollbacks, Zeldin announced the termination of \$20 billion in grants awarded under the Biden administration for climate and clean-energy projects. The grants, distributed to nonprofit groups such as the Coalition for Green Capital and the Climate United Fund, have been scrutinized for potential programmatic fraud and misalignment with the EPA's statutory objectives.

"This termination is based on substantial concerns regarding program integrity, objections to the award process, programmatic fraud, waste, and abuse," Zeldin explained. "The EPA will once again be an exceptional steward of your tax dollars. I will have it no other way."

The Path Forward

This sweeping deregulation effort represents a pivotal moment for the oil and gas industry. By rolling back restrictive policies, the EPA is paving the way for expanded domestic energy production, lower costs for consumers, and a more predictable regulatory environment.

For industry professionals, the reversal of the Clean Power Plan 2.0 is a clear signal that energy policy is shifting toward prioritizing

The EPA's March 17 press release, titled [*"EPA Ends the Green New Deal,"*](#) references 31 regulatory actions; however, a full list has not been officially released.

Based on Administrator Zeldin's op-ed in *The Wall Street Journal*, the following are some of the key actions we feel might be likely to be included in this initiative :

- 1) Repealing Clean Power Plan 2.0
- 2) Ending the electric vehicle mandate
- 3) Revising the Endangerment Finding*
- 4) Reconsidering the Social Cost of Carbon metric
- 5) Rolling back Mercury and Air Toxics Standards (MATS)
- 6) Reevaluating Particulate Matter 2.5 standards
- 7) Reforming permitting processes for energy projects
- 8) Reversing regulations restricting oil and gas production
- 9) Removing barriers to coal-fired power plant operations
- 10) Restoring state authority over energy regulations
- 11) Ending Good Neighbor Plan emissions requirements
- 12) Reviewing and resolving state and tribal implementation plan backlogs
- 13) Reforming environmental review timelines for infrastructure projects
- 14) Eliminating excessive restrictions on pipeline construction
- 15) Ensuring regulatory certainty for natural gas projects
- 16) Reversing methane regulations targeting domestic producers
- 17) Rolling back water regulations affecting energy projects
- 18) Eliminating excessive fines and penalties for emissions standards
- 19) Increasing flexibility for automakers in emissions compliance
- 20) Scaling back fuel economy standards to allow consumer choice
- 21) Reconsidering ozone regulations impacting industrial facilities
- 22) Revising renewable energy credit systems to avoid market distortion
- 23) Reducing restrictions on domestic refining capacity
- 24) Expanding offshore and onshore leasing for oil and gas
- 25) Streamlining federal land permitting for energy development
- 26) Removing barriers to domestic mining for critical minerals
- 27) Eliminating costly regulations on small and independent energy producers
- 28) Reforming hazardous air pollutant regulations





- 29) Reducing regulatory costs for power plant retrofits and upgrades
- 30) Reconsidering climate-based financial regulations affecting industry
- 31) Ending federal subsidies and grants favoring green energy over fossil fuels

The EPA's sweeping deregulatory actions mark a turning point for American energy—but the most pivotal change may be the revision of the **Endangerment Finding**. As the foundation for nearly all environmental challenges facing domestic oil and gas, this decision could redefine the regulatory landscape.

CONGRESSMAN BRETT GUTHRIE ON AI, ENERGY, AND U.S. LEADERSHIP

In a recent op-ed for [The Washington Times](#), Congressman Brett Guthrie (KY-02), Chairman of the House Committee on Energy and Commerce, emphasized the need for a pro-innovation approach to artificial intelligence (AI) and energy policy to maintain U.S. global leadership.

Guthrie highlighted how past technological advancements, from the lightbulb to the computer, have been driven by American innovation, not heavy-handed government mandates. As AI continues to develop, he warns that excessive regulation could stifle progress, calling instead for a flexible policy framework that balances protections with growth.

A major challenge in AI expansion is energy demand. AI data centers are projected to double or triple U.S. electricity load growth by 2028, requiring significant increases in reliable power generation. Guthrie underscored the need for permitting reform to streamline natural gas infrastructure development, ensuring a stable energy supply to support AI and other industries.

Beyond economic benefits, Guthrie argued that AI and energy security are critical to countering global adversaries like China. He warned that if the U.S. fails to lead in AI, the Chinese Communist Party will fill the gap, using the technology to expand surveillance, suppress innovation, and threaten American interests.

As chairman of the Energy and Commerce Committee, Guthrie pledged to continue advancing policies that support AI innovation and energy expansion. He called for strategic investments in infrastructure and regulatory reforms to position the U.S. as the dominant force in AI and energy for generations to come.

In his press release Congressman Guthrie said:

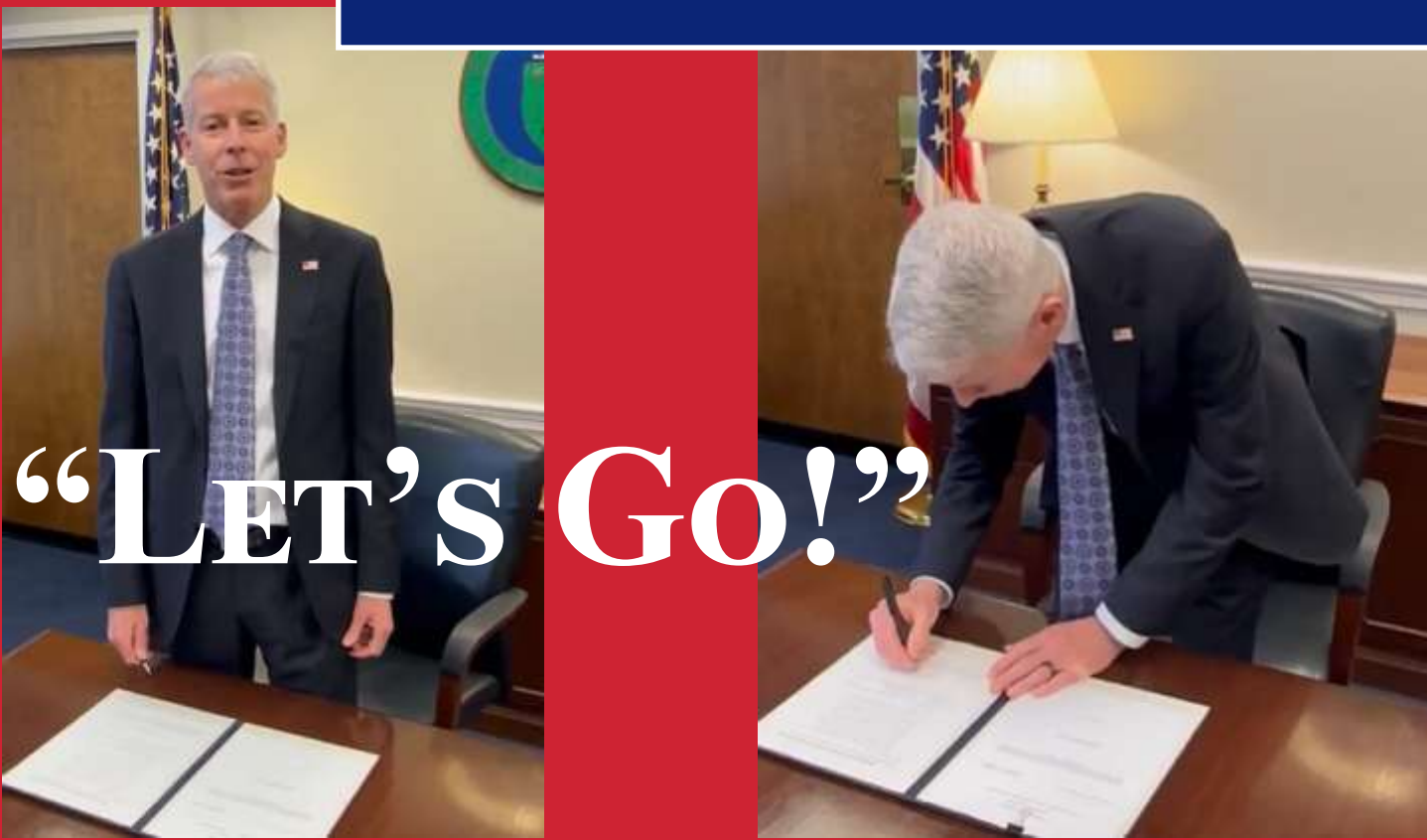
"For AI to be implemented at scale in the U.S., we must have a flexible, pro-innovation regulatory environment. While protections against harmful uses of AI are paramount, such as malicious deepfakes, federal and state lawmakers should avoid imposing duplicative and burdensome new regulations. Innovation not regulation will be key to U.S. AI dominance."

"But to develop and deploy AI at scale, this burgeoning industry and its data centers require massive amounts of new energy production. We are converting energy into intelligence, and this calls for a generational change in how we produce affordable and reliable electricity."

"With the dramatic expansion of AI data centers, the U.S. will need to double or triple our electricity load growth by 2028. In just two months, we have already held hearings on increasing energy availability, supporting our grid, and assessing implications for the AI economy."

"Permitting reform is one way to help address the growing need for electricity. Today, 40% of electric generation in the U.S. comes from natural gas, but the way we permit isn't sustainable thanks to archaic processes and bureaucratic delays. It took an act of Congress to complete the construction of the last major natural gas pipeline built in this country. When we are in control of our own energy development, production, and supply, we are more prosperous and secure and can maintain our competitive edge over the Chinese Communist Party (CCP)."

MORE AMERICAN ENERGY, MORE AMERICAN JOBS!



“LET’S GO!”

“Proud to sign this morning the second LNG export approval since President Trump took office and reversed the Biden ban on LNG export approvals. This is more American energy, more American jobs better geopolitical relationships. America’s back, as you heard last night at the joint Congress address. Let’s go!” - Secretary of Energy Chris Wright

We’re thrilled to see the Administration take swift action to restore U.S. energy leadership. March 19th Secretary Wright signed the second LNG export approval since President Trump took office, reversing the Biden ban on LNG export approvals.

This is a critical step toward securing our nation’s energy future, strengthening global alliances, and ensuring the U.S. remains the world’s energy powerhouse.

Thank you to the Administration for putting the U.S. back on track toward energy security!

Watch the moment on our [LinkedIn Page!](#)

THE ENDANGERMENT FINDING

A KEY REGULATORY DECISION

The EPA announced March 12 a formal reconsideration of the *2009 Endangerment Finding*, a key regulatory decision that has served as the foundation for costly climate policies over the past 16 years. The original finding, issued during the Obama administration, determined that greenhouse gas emissions pose a threat to public health and welfare, leading to extensive regulations on industries, including oil and gas.

This reconsideration follows major Supreme Court rulings that call into question the legal and scientific basis of the finding. Critics have long argued that the Endangerment Finding was flawed from the start, **as it combined six greenhouse gases—some of which are not even emitted by vehicles**—and failed to account for the massive regulatory costs that followed. The Trump administration's EPA, led by Administrator Lee Zeldin, has pledged to take a fresh look at the science, economics, and legal foundation of the finding, ensuring that any future regulations are based on sound policy rather than political agendas.

In President Trump's Day One Executive Order, "Unleashing American Energy," he gave the EPA Administrator a 30-day deadline to submit recommendations on the legality and continuing applicability of the 2009 Endangerment Finding. After submitting these recommendations, EPA can now announce its intent to reconsider the 2009 Endangerment Finding.

The Endangerment Finding acknowledges and identifies significant uncertainties in the science and assumptions used to justify the decision. In the 16 years since EPA issued the Endangerment Finding, the world has seen major developments in innovative technologies, science, economics, and mitigation. EPA has never before asked for public comment on the implications these developments have had on the En-

dangerment Finding, but now it will as part of the reconsideration process it intends to undertake. Additionally, major Supreme Court decisions in the intervening years, including *Loper Bright Enterprises v. Raimondo*, *West Virginia v. EPA*, *Michigan v. EPA*, and *Utility Air Regulatory Group v. EPA*, have provided new guidance on how the agency should interpret statutes to discern Congressional intent and ensure that its regulations follow the law.


As part of this reconsideration process, EPA will leverage the expertise of the White House Budget Office, including the Office of Information and Regulatory Affairs, White House Office of Science and Technology Policy, National Oceanic and Atmospheric Administration, and other relevant agencies.

It is in the best interest of the American people for EPA to ensure that any finding and regulations are based on the strongest scientific and legal foundation. The reconsideration of the Endangerment Finding and EPA's regulations that have relied on it furthers this interest. The agency cannot prejudge the outcome of this reconsideration or of any future rulemaking. EPA will follow the Administrative Procedure Act and Clean Air Act, as applicable, in a transparent way for the betterment of the American people and the fulfillment of the rule of law.

DEPA and other industry leaders welcome the reconsideration, citing the harmful economic impact of regulations stem-

"We are encouraged by the reconsideration of the Endangerment Finding and remain hopeful that common sense will prevail in reversing this harmful rule. The domestic oil and gas industry has long been committed to responsible energy production, and it is critical that regulations are based on sound science and economic realities rather than political agendas. A reversal of this rule would be a step toward ensuring the continued strength of American energy security and economic prosperity."

- Jerry Simmons, DEPA CEO/President



ming from the finding, including rising energy costs, restricted fuel choices, and burdensome vehicle emissions standards. The move aligns with President Trump's

broader efforts to restore energy dominance, prioritize American innovation over regulation, and ensure environmental policies support—not hinder—economic growth.

The EPA has emphasized that it will not prejudice the outcome of this review but will solicit public input and consider the latest scientific and technological developments before making any determinations. This could mark a major shift in U.S. climate policy and provide relief to industries that have been burdened by regulatory overreach.

"After 16 years, EPA will formally reconsider the Endangerment Finding," said Administrator Zeldin. "The Trump Administration will not sacrifice national prosperity, energy security, and the freedom of our people for an agenda that throttles our industries, our mobility, and our consumer choice while benefiting adversaries overseas. We will follow the science, the law, and common sense wherever it leads, and we will do so while advancing our commitment towards helping to deliver cleaner, healthier, and safer air, land, and water."

"EPA's regulation of the climate affects the entire national economy—jobs, wages, and family budgets. It's long overdue to look at the impacts on our people of the underlying Obama endangerment finding," said White House OMB Director Russ Vought.

"The United States produces energy smarter, cleaner, and safer than anywhere else in the world," said Secretary of the Interior Doug Burgum. "To achieve President Trump's vision for energy dominance, we are prioritizing innovation over regulation to attain an affordable, reliable, clean, and secure energy future for all Americans."

"The 2009 Endangerment finding has had an enormously negative impact on the lives of the American people. For more than 15 years, the U.S. government used the finding to pursue an onslaught of costly regulations – raising prices and reducing reliability and choice on everything from vehicles to electricity and more. It's past time the United States ensures the basis for issuing environmental regulations follows the science and betters human lives," said Energy Secretary Chris Wright.

"Thanks to President Trump's leadership and the hard work of Administrator Zeldin, we are taking another important step toward ushering in a golden age of transportation. The American people voted for a government that prioritizes affordable, safe travel and lets them choose the vehicles they drive. Today we are delivering on that promise, and this will allow the DOT to accelerate its work on new vehicle fuel economy standards that will lower car prices and no longer force Americans to purchase electric vehicles they don't want," said Transportation Secretary Duffy.

"Since 2009, I've consistently argued that the endangerment finding required a consideration of downstream costs imposed on both mobile sources like cars and stationary sources like factories. Under the enlightened leadership of President Trump and Administrator Zeldin, the time for fresh thought has finally arrived," said Office of Information and Regulatory Affairs Administrator Jeff Clark.

When EPA made the Endangerment Finding in 2009, the agency did not consider any aspect of the regulations that would flow from it. EPA's view then was that the Finding itself did not impose any costs, and that EPA could not consider future costs when making the Finding. EPA has subsequently relied on the Endangerment Finding as part of its justification for seven vehicle regulations with an aggregate cost of more than one trillion dollars, according to figures in EPA's own regulatory impact analyses. The Endangerment Finding has also played a significant role in EPA's justification of regulations of other sources beyond cars and trucks.

Congress tasked EPA under Section 202 of the Clean Air Act with regulating new motor vehicles when the Administrator determines that emissions of an air pollutant endanger public health and welfare. But the Endangerment Finding went about this task in what appears to be a flawed and unorthodox way. Contrary to popular belief, the Endangerment Finding did not directly find that carbon dioxide emissions from U.S. cars endanger public welfare. Instead, the Finding looks at a combination of emissions of six different gases—and cars don't even omit all six. It then creatively added multiple leaps, arguing that the combined six gases contribute some mysterious amount above zero to climate change and that climate change creates some mysterious amount of endangerment above zero to public health. These mental leaps were the only way the Obama-Biden Administration could come to its preferred conclusion, even if it did not stick to the letter of the Clean Air Act.

Congratulations Energy Transfer!

GREENPEACE ORDERED TO PAY \$667 MILLION IN LANDMARK RULING OVER DAKOTA ACCESS PIPELINE PROTESTS

A North Dakota jury found Greenpeace liable for defamation, trespassing, and conspiracy

In a major victory for the energy industry and private property rights, March 20th a North Dakota jury has found Greenpeace liable for defamation, trespassing, and conspiracy in connection with the 2016-2017 protests against the Dakota Access Pipeline (DAPL). The verdict requires the environmental advocacy group to pay Texas-based pipeline company Energy Transfer nearly \$667 million in damages.

A Verdict Years in the Making

The lawsuit stemmed from Greenpeace's role in organizing and funding the prolonged and often violent protests that disrupted the construction of the DAPL near the Standing Rock Indian Reservation. Protesters, backed by Greenpeace, engaged in unlawful activities that included vandalizing construction equipment, trespassing on private property, and physically attacking security personnel. The group also spread misinformation about the project's environmental impact, falsely claiming the pipeline would poison local water supplies.

Energy Transfer successfully argued that Greenpeace's actions went beyond peaceful protest and crossed into illegal activity. The jury's decision included over \$400 million in punitive damages—intended to penalize Greenpeace for its role in the unlawful demonstrations.

The City Journal reported “During the trial, Energy Transfer's lawyers presented evidence that Greenpeace played a significant role in supporting the activists pushing for “direct action” against the pipeline. Greenpeace USA paid roughly \$20,000 to send protest trainers—including a Greenpeace employee—to Standing Rock, court documents showed, while the group's executive director personally raised another \$90,000 for the effort. One internal [Greenpeace](#)

[email](#) estimated the funding “has the potential to provide skills training to 3,000 activists.” Another Greenpeace employee [bragged in an email](#) about doing “some awesome spy shit” while scouting for potential blockade locations near the construction site.

Industry Response and Implications

Energy Transfer lawyer Trey Cox called the ruling a “day of reckoning and accountability for Greenpeace,” emphasizing that the jury recognized the difference between lawful protest and illegal sabotage. The energy industry has long faced opposition from environmental activists, but this ruling sets a significant precedent in holding groups accountable when their actions lead to property damage, safety risks, and financial harm to businesses.

Vicki Granado, a spokeswoman for Energy Transfer, hailed the ruling as a win not only for the company but also for the residents of North Dakota who endured daily disruptions and threats during the protests. “Our victory is also a win for all law-abiding Americans who understand the difference between the right to free speech and breaking the law,” she said.

Greenpeace's Response and Legal Challenges

Unsurprisingly, Greenpeace has vowed to appeal the decision, claiming that the lawsuit is an attack on free speech and an attempt to silence advocacy. The group argues that the lawsuit is a “SLAPP” (Strategic Lawsuit Against Public Participation), designed to intimidate and punish those who challenge large corporations.

Despite Greenpeace's claims, the ruling underscores the importance of distinguishing between peaceful protest and un-

For energy producers and pipeline operators, this ruling provides a legal precedent for holding activist groups accountable when they engage in illegal actions that threaten infrastructure projects and economic development.

lawful actions. While advocacy and public discourse are protected under the First Amendment, the courts have made clear that defamation, trespassing, and conspiracy to disrupt lawful business operations are not.

The decision wasn't entirely unexpected—Greenpeace had unsuccessfully attempted to change the trial location, arguing that a jury in the oil-producing region would be biased in favor of Energy Transfer. However, the staggering \$667 million in damages is sure to send shock waves through the loose networks of nonprofit groups that support disruptive protests nationwide. Michael Gerrard, director of the Sabin Center for Climate Change Law at Columbia University, noted that while the verdict is unlikely to deter political activists altogether, it could discourage them from actively protesting fossil fuel projects while they are under construction.

Looking Ahead

The DAPL case serves as a stark reminder of the consequences of crossing the line from advocacy into unlawful activity. For energy producers and pipeline operators, this ruling provides a legal precedent for holding activist groups accountable when they engage in illegal actions that threaten infrastructure projects and economic development.

As Greenpeace prepares its appeal, the energy industry will be watching closely, but for now, the verdict marks a significant victory in the ongoing battle to protect critical energy infrastructure from unlawful interference.

“Energy Transfer hasn’t heard the last of us in this fight. We’re just getting started with our anti-SLAPP lawsuit against Energy Transfer’s attacks on free speech and peaceful protest. We will see Energy Transfer in court this July in the Netherlands. We will not back down. We will not be silenced.”

—Greenpeace International General Counsel Kristin Casper.



"Greenpeace's continued attempts to paint themselves as victims ignore the facts established in court.

A jury found them liable for defamation, trespassing, and conspiracy—actions that go far beyond free speech and peaceful protest.

Energy infrastructure projects are critical to American energy security, and no organization should be allowed to use misinformation and unlawful tactics to disrupt them. The rule of law prevailed in this case, and Greenpeace's threats of further litigation will not change the reality of their actions or their consequences."

— Jerry Simmons, DEPA President/CEO

JUST STOP OIL CALLS ART DESTRUCTION QUITS BUT NOT WITHOUT IRONY



After two years of disruptive protests, the activist group **Just Stop Oil** has officially ended its campaign. Known for their headline-grabbing stunts—including throwing soup on Van Gogh’s *Sunflowers*, blocking major roadways, spray-painting landmarks, and disrupting emergency services—the group now disbands with hundreds of arrests and multiple jail sentences among its members.

However, the **deep irony** of their movement cannot be ignored. While demanding the immediate shutdown of all oil and gas operations, their entire protest infrastructure **depended on petroleum products**—from the hi-vis vests they wore to the spray paint they used, and even the vehicles that transported them to protest sites.

Their demand for an instant energy shutdown was never realistic. Modern society depends on reliable energy—hospitals require steady electricity, food production needs consistent fuel, and emergency services can’t risk blackouts. The notion of shutting down fossil fuels overnight, without a transition plan, ignores the complexities of global energy needs.

Meanwhile, oil and gas companies have been leading real progress toward cleaner energy through carbon sequestration, methane capture, improved extraction technology, and alternative energy research—all while ensuring the world continues to function.

Just Stop Oil may have hung up their vests, but the industry they fought against remains essential, driving real solutions rather than symbolic chaos.

You threw soup on my *Sunflowers* to make a statement, but tell me—how did you get to the museum? On foot, Or did fossil fuels carry you there? You wore bright vests made from oil-based materials, used paint derived from petroleum, and likely fueled your protests with a quick snack from plastic packaging. My dear friends, if irony were an art form, you’d be the masters.



PRESS RELEASE FROM JUST STOP OIL:


“ Three years after bursting on the scene in a blaze of orange, at the end of April we will be hanging up the hi vis.

Just Stop Oil’s initial demand to end new oil and gas is now government policy, making us one of the most successful civil resistance campaigns in recent history. We’ve kept over 4.4 billion barrels of oil in the ground and the courts have ruled new oil and gas licences* unlawful.

So it is the end of soup on Van Goghs, cornstarch on Stonehenge and slow marching in the streets. But it is not the end of trials, of tagging and surveillance, of fines, probation and years in prison. We have exposed the corruption at the heart of our legal system, which protects those causing death and destruction while prosecuting those seeking to minimize harm. Just Stop Oil will continue to tell the truth in the courts, speak out for our political prisoners and call out the UK’s oppressive anti-protest laws. We continue to rely on small donations from the public to make this happen.

This is not the end of civil resistance. Governments everywhere are retreating from doing what is needed to protect us from the consequences of unchecked fossil fuel burning. As we head towards 2°C of global heating by the 2030s, the science is clear: billions of people will have to move or die and the global economy is going to collapse. This is unavoidable. We have been betrayed by a morally bankrupt political class. As corporations and billionaires corrupt political systems across the world, we need a different approach. We are creating a new strategy, to face this reality and to carry our responsibilities at this time. Nothing short of a revolution is going to protect us from the coming storms.”

*typo kept from original release.



INTERIOR DEPARTMENT MOVES TO UNLEASH ALASKA'S ENERGY POTENTIAL

The U.S. oil and gas industry just received a significant boost as Department of the Interior Secretary Doug Burgum announced immediate actions to expand energy exploration and development in Alaska. This move aligns with President Donald J. Trump's vision of American Energy Dominance, opening the door to greater domestic production, job creation, and economic growth.

Under Secretary Burgum's leadership, the Bureau of Land Management (BLM) will take decisive steps to increase leasing opportunities in the National Petroleum Reserve in Alaska (NPR-A) and reinstate oil and gas development in the Coastal Plain of the Arctic National Wildlife Refuge (ANWR). Additionally, the Interior Department will work to revoke certain land withdrawals that have restricted energy infrastructure projects, including the Ambler Road and Alaska Liquefied Natural Gas Pipeline initiatives.

"It's time for the U.S. to embrace Alaska's abundant and largely untapped resources as a pathway to prosperity for the nation, including Alaskans," said Secretary Burgum. "For far too long, the federal government has created too many barriers to capitalizing on the state's energy potential. Interior is committed to recognizing the central role the State of Alaska plays in meeting our nation's energy needs, while providing tremendous economic opportunity for Alaskans."

WHAT THIS MEANS FOR U.S. OIL AND GAS PRODUCERS

This policy shift represents a tremendous opportunity for the domestic oil and gas industry, particularly independent producers who have long advocated for increased access to federal lands. By reopening up to 82% of the NPR-A and making the entire 1.56-million-acre Coastal Plain of ANWR available for leasing, producers will have access to some of the nation's largest untapped reserves. This will provide long-term investment certainty, allowing for infrastructure expansion and increased production capacity.

Additionally, lifting restrictions on key infrastructure projects such as the Alaska LNG Pipeline and Ambler Road will streamline transportation and export capabilities, further strengthening energy security and market competitiveness for U.S. producers.

A WIN FOR CONSUMERS AND ENERGY SECURITY

For American consumers, this move signals greater supply stability, which helps counteract volatility in global oil markets. Increasing domestic production reduces reliance on foreign energy sources and supports lower energy costs for households and businesses alike.

INDUSTRY LEADERS APPLAUD THE DECISION

Jerry Simmons, President of the Domestic Energy Producers Alliance (DEPA), welcomed the announcement, emphasizing the critical role of Alaska's resources in bolstering U.S. energy independence.

"This is a monumental step in ensuring America continues to lead in energy production," said Simmons. "By removing unnecessary restrictions and opening up key reserves, the Interior Department is reaffirming that American energy should be produced by American companies, creating jobs, boosting our economy, and securing our future."

LOOKING AHEAD

While this decision marks a major victory for U.S. oil and gas, industry leaders recognize the need for continued advocacy to protect these advancements in future administrations. With increased regulatory certainty, expanded access to resources, and strong industry leadership, American energy producers are well-positioned to thrive in the years ahead.

As always, DEPA remains committed to supporting policies that ensure a strong, resilient domestic energy sector while driving real solutions for America's energy future.

SEC WITHDRAWS DEFENSE OF CLIMATE DISCLOSURE RULES

PRESS RELEASE MARCH 27, 2027

The Securities and Exchange Commission today voted to end its defense of the [rules](#) requiring disclosure of climate-related risks and greenhouse gas emissions.

SEC Acting Chairman Mark T. Uyeda said, “The goal of today’s Commission action and notification to the court is to cease the Commission’s involvement in the defense of the costly and unnecessarily intrusive climate change disclosure rules.”

The rules, adopted by the Commission on March 6, 2024, create a detailed and extensive special disclosure regime about climate risks for issuing and reporting companies.

States and private parties have challenged the rules. The litigation was consolidated in the Eighth Circuit (Iowa v. SEC, No. 24-1522 (8th Cir.)), and the Commission previously [stayed effectiveness](#) of the rules pending completion of that litigation. Briefing in the cases was completed before the change in Administrations.

Following today’s Commission vote, SEC staff sent a letter to the court stating that the Commission withdraws its defense of the rules and that Commission counsel are no longer authorized to advance the arguments in the brief the Commission had filed. The letter states that the Commission yields any oral argument time back to the court.

A FLAWED RULE FROM THE START

The climate disclosure rule sought to mandate an extensive and intrusive reporting framework, forcing companies to disclose climate-related risks and greenhouse gas emissions in a manner far exceeding the agency’s statutory authority. For the first time in its ninety-year history, the SEC attempted to compel disclosures on environmental, social, and governance (ESG) matters that have no bearing on its core mission of protecting investors and facilitating healthy capital markets.

The rule’s sheer complexity underscores its impracticality. Spanning 506 pages with 1,068 footnotes and referencing 194 dense academic and governmental reports, it would have imposed an estimated \$10.235 billion cost on businesses and required up to 232 discrete data points. Publicly traded companies would have been compelled to track Scope 1, 2, and 3 emissions, meaning they would need to measure everything from their direct emissions to the emissions produced by consumers using their products—an almost impossible task.



DEPA LEADS THE FIGHT AGAINST REGULATORY OVERREACH

DEPA, recognizing the existential threat this rule posed to American energy producers, took decisive action. Alongside other industry stakeholders, DEPA submitted detailed comments opposing the rule when it was first proposed. When it became clear that the SEC intended to push forward with this regulatory overreach, DEPA joined forces with the Pacific Legal Foundation to challenge the rule in court, becoming a named plaintiff in the litigation against the SEC.

This fight was not just about a single regulation—it was about preventing a dangerous precedent. By using climate disclosure mandates to push a political agenda, the SEC was starting down a slippery slope that could lead to even more onerous, unrelated reporting requirements in the future. Moreover, the SEC has neither the authority nor the expertise to regulate greenhouse gas emissions. That responsibility already falls under the Environmental Protection Agency (EPA), making this rule a duplicative and unnecessary burden on businesses.

The fight against ESG-driven regulatory overreach is far from over. DEPA remains committed to ensuring that agencies like the SEC stay within their statutory mandates and do not attempt to impose policies that lack congressional authorization.

As always, DEPA will continue advocating for policies that support a strong and independent domestic energy industry, ensuring that regulatory agencies do not overstep their bounds. While this announcement is a step forward, it is not the end of legal action we have been involved in. It is a reminder that vigilance and legal action are sometimes necessary to keep government agencies in check and preserve a thriving economic environment for American businesses.

US SOLIDIFIES ITS SPOT AS THE WORLD'S TOP LNG EXPORTER IN 2024

BY NATHAN HAMMER

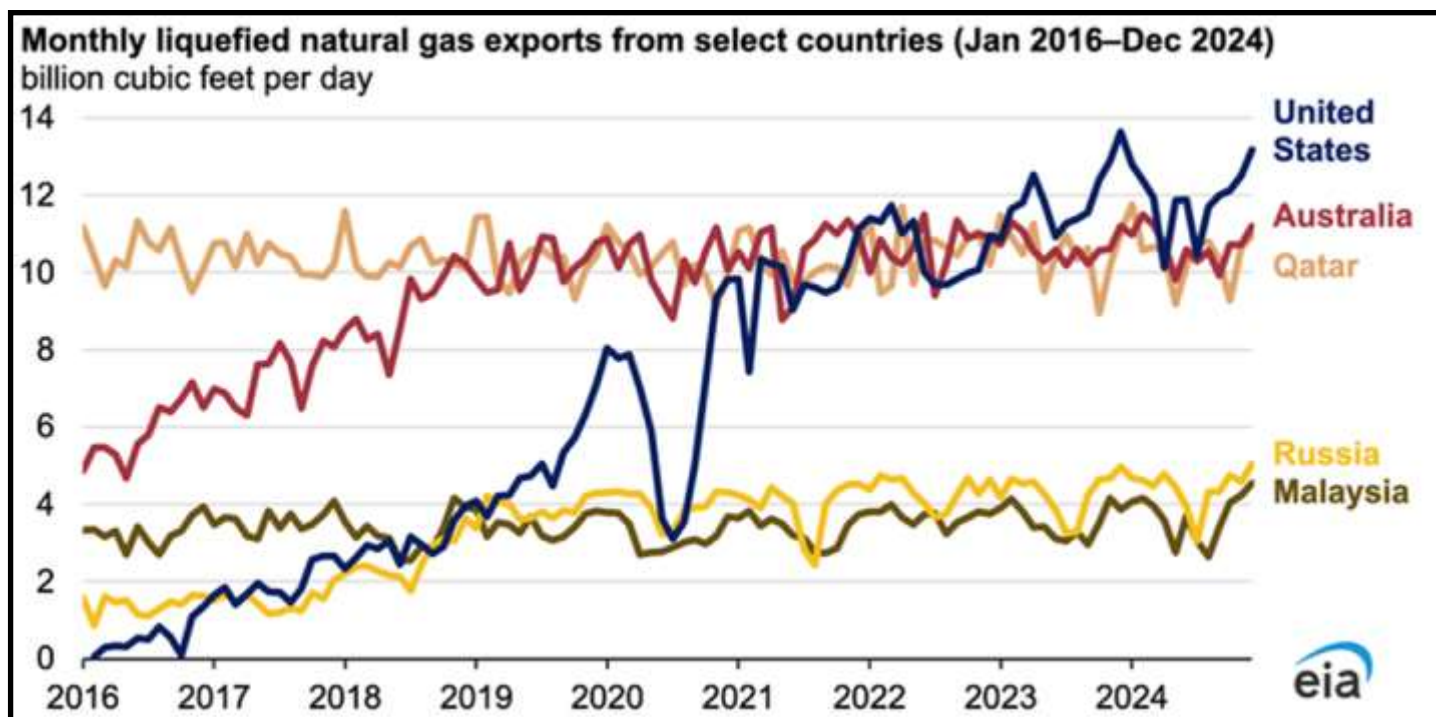
Check out [Nathan's Podcast](#) - concise summaries on big energy, compliance, and tech news.

The U.S. Energy Information Administration (EIA) dropped a bombshell at the end of this month: the United States held its crown as the world's largest liquefied natural gas (LNG) exporter in 2024. According to the [EIA's latest report](#), robust infrastructure and surging global demand kept American LNG flowing at record levels. This isn't just a flex--it's a super strong testament to years of strategic energy moves paying off.

The numbers don't lie. Export terminals along the Gulf Coast, paired with [new pipeline projects in 2024](#), have turbo-charged takeaway capacity, ensuring natural gas gets from wellhead to water without a hitch. Meanwhile, [FERC's recent pro-gas rulings](#) have greased the wheels, cutting red tape and greenlighting key facilities. It's a machine firing on all cylinders.

This dominance isn't without its scars. Remember the Biden admin's [LNG study suppression](#)? That fumble could've derailed progress, but market forces... and a little regulatory backbone... prevailed. Now, with ethane markets also hitting [record highs in 2024](#), the U.S. energy sector is proving it's not just a one-trick pony.

Global buyers are hooked, and the U.S. is delivering. As Europe and Asia scramble for reliable energy, American LNG is the steady hand they're reaching for. 2024 wasn't just a win--it was a strong statement. The U.S. ain't budging from the top spot anytime soon.



SECRETARY OF ENERGY CHARTS A NEW COURSE FOR U.S. ENERGY POLICY AT CERAWEEK

Wright's remarks present a clear direction: Advocate for policies that support domestic production, push back against restrictive regulations, and reinforce the vital role of oil and gas in a growing, energy-hungry world.

At CERAWeek 2024, U.S. Secretary of Energy Chris Wright delivered a bold vision for America's energy future, emphasizing a decisive shift from the previous administration's policies. His remarks reinforced the Trump administration's commitment to expanding domestic energy production, prioritizing affordability, reliability, and national security over regulatory burdens and climate-driven constraints.

Key Takeaways for Oil & Gas Leaders Engaging with Policymakers:

- **Reaffirming the Role of Fossil Fuels** – Wright underscored the irreplaceable role of oil and natural gas in the U.S. and global economies, noting that natural gas alone powers 43% of U.S. electricity and is essential for manufacturing, home heating, and food production.
- **Correcting Energy Policy Missteps** – He criticized the prior administration's approach of prioritizing climate policy over economic realities, arguing that expensive energy policies have harmed U.S. consumers, weakened industrial competitiveness, and increased reliance on foreign manufacturing.
- **Expanding American Energy Dominance** – The administration is removing regulatory obstacles to domestic energy production, fast-tracking LNG export terminals, and reversing policies that artificially limit consumer energy choices, such as forced EV mandates and appliance regulations.
- **The Need for Massive Energy Growth** – With global energy demand rising—particularly from developing nations and AI-driven electricity needs—Wright emphasized the urgency of increasing energy supply without driving up consumer costs.
- **A Pragmatic Approach to Climate** – Rejecting "quasi-religious" climate policies, he positioned the administration as taking a "climate realist" stance—acknowledging the trade-offs involved while ensuring economic growth and energy security remain the top priorities.

As engagement with policymakers continues, this administration's focus on energy expansion, deregulation, and industrial revitalization creates significant opportunities for the sector.

Secretary Wright's full remarks are below:

Thanks for that introduction and warm welcome.

I am honored to be addressing this distinguished crowd of energy leaders from around the world. I am honored to serve President Trump as the 17th Secretary of Energy. Energy is the enabler of everything that we do. Everything. Energy is not A sector of the economy, it is the sector that enables every other sector. Energy is life.

I'm honored to play a role in reversing what I believe has been very poor direction in energy policy. The previous administration's policy was focused myopically on climate change with people as simply collateral damage.

My predecessor was on this stage one year ago saying that LNG exports would soon be in the rear view mirror. Think about that for a moment. Natural gas today supplies 25% of global primary energy and has been the fastest growing source of energy over the last 15 years.

Wind and solar, the darlings of the last administration and so much of the world today, supply roughly 3% of global primary energy. You often hear larger numbers quoted but that is because of a thermal equivalent scale-up. I don't believe that scale-up is justified, hence I stick with the actual energy produced.

Everywhere wind and solar penetration have increased significantly. Prices on the grid went up and stability of the grid went down. Is this pathway really going to put natural gas in the rearview mirror? Nitrogen fertilizers, synthesizing natural gas is responsible for fully half of global food production.

Natural gas is the largest source of home heating in the United States. It is central to the rapidly growing petrochemical industry and the largest supplier of processed heat for manufacturing steel, cement, countless metals, gypsum, semiconductors, polysilicon and thousands of other materials. Oh yes, and natural gas is also responsible for 43% of U.S. electricity.

Beyond the obvious scale and cost problems, there is simply no physical way that wind, solar and batteries could replace the myriad uses of natural gas. I haven't even mentioned oil



or coal yet. I spent my whole career as an entrepreneur and student of energy.

I have worked on nuclear, solar, oil, geothermal and natural gas. I was actively involved working in four of these energy technologies just a few weeks ago when I got my new job. My new job rightfully

necessitated that I depart and completely divest from all of my ventures in the energy business.

I even resigned from my long-term board position with a free market environmental organization. But my passion for bettering human lives via improved access to energy is unwavering. Recently I've been called a climate denier or climate skeptic.

This is simply wrong. I am a climate realist. I've been studying, speaking and writing about climate change for over 20 years.

The Trump administration will treat climate change from what it is, a global physical phenomenon that is a side effect of building the modern world. We have indeed raised global atmospheric CO₂ concentration by 50% in the process of more than doubling human life expectancy, lifting millions of the world's, lifting almost all of the world's citizens out of grinding poverty, launching modern medicine, telecommunications, planes, trains and automobiles too. Everything in life involves trade-offs. Everything.

these policies yields perhaps only a few hundredths of a degree reduction in global temperatures in the year 2100. The Trump administration intends to be much more scientific and mathematically literate. The previous administration's climate policies have been impoverishing to our citizens, economically destructive to our businesses and politically polarizing.

The cure was far more destructive than the disease. There are no winners in that world except for politicians and rapidly growing interest groups. The only interest group that we are concerned with is the American people.

Our focus will be steadfast on the American people and our allies abroad. Let's do a quick survey of energy access today. Roughly 1 billion people live lives remotely recognizable to us in this room.

We wear fancy clothes mostly made out of hydrocarbons. We travel in motorized transport. The extra lucky of us fly across the world to attend conferences.

We heat our homes in winter, cool them in summer, store myriad foods in our freezers and refrigerators and have light communications and entertainment at the flip of a switch. Pretty awesome. This lifestyle requires an average of 13 barrels of oil per person per year.

What about the other 7 billion people? They want what we have. The other 7 billion people on average consume only 3 barrels of oil per person per year versus our 13. Africans average less than one barrel.

We need more energy. Lots more energy. That much should be obvious. Over half of people today are wearing hand-washed clothes. They have yet to realize the time-saving and women-liberating joys of a washing machine. We need more energy.

“Making energy more expensive has impoverished citizens and displaced energy-intensive manufacturing, along with the well-paying blue-collar jobs. Expensive energy policies do not reduce demand for energy-intensive materials. They simply move where those products are produced and therefore who benefits from their production.”

Responses to climate change bring their own set of trade-offs. The Trump administration will end the Biden administration's irrational quasi-religious policies on climate change and impose endless sacrifices on our citizens.

Running the math of what might have been the benefits from

Over 2 billion people today cook their daily meals and heat their homes burning wood. The indoor air pollution from this activity alone is estimated to kill over 2 million people annually. We need more modern energy. 2 million readily preventable deaths. Where is the COP conference for this far more urgent global challenge?



Back in our own country, over 20 percent of Americans struggle to pay their energy bills and roughly 10 percent have received a utility disconnection notice in the last 12 months. Think about that for a moment.

The last administration recklessly pursued policies that were certain to drive up electricity prices, knowing full well that millions of additional Americans would have to look in their kids' eyes and tell them that their lights might be going out. That sends a chill down my spine. The expensive energy or climate policies that have been in vogue among the left in wealthy western nations have taken a heavy toll on their citizens.

Making energy more expensive has impoverished citizens and displaced energy-intensive manufacturing, along with the well-paying blue-collar jobs. Expensive energy policies do not reduce demand for energy-intensive materials. They simply move where those products are produced and therefore who benefits from their production.

China now consumes nearly three times as much energy in manufacturing than the United States. Three times. We have outsourced far too much manufacturing and our allies in Europe have gone much further in this destructive direction.

I find it sad and ironic that once mighty steel and petrochemical industries of the United Kingdom have been displaced to Asia, where the same products will be produced with higher greenhouse gas emissions, then loaded on a diesel-powered ship back to the United Kingdom. The net result is higher prices and fewer jobs for UK citizens, higher global greenhouse gas emissions, and all of this is a climate policy? President Trump was elected to bring back common sense to Washington DC. Let me hit a few of the highlights of America's common sense pivot in energy.

No more all-of-government approach to making energy more expensive, less reliable, and making it nearly impossible to build more scale things in our country. We are unabashedly pursuing a policy of more American energy production and infrastructure, not less. Our goal is to re-industrialize America, not de-industrialize America.

President Trump immediately ended a pause on LNG export permits. Today I can announce our fourth action in this regard, improving the Delphi Offshore Louisiana LNG export terminal. This is in addition to previous actions on the Commonwealth and Golden Pass LNG projects and our actions to enable the bunkering of LNG from powering tanker ships.

Hard to believe there was opposition to these policies that so clearly benefit America, our allies, and our environment. We are working to launch the long-awaited American nuclear renaissance, fission and fusion. We want more reliable, affordable, secure energy.

We are reversing policies that force consumers to pay more for clothes washers and dryers, hot water heaters and dishwashers that deliver inferior performance. Our goal is lower cost and higher performance. Is that radical? We also plan to reverse the destructive mandates, forcing everyone to buy EVs that have been wreaking havoc on our auto industry and forcing higher prices and reduced choices on consumers.

“Over the last four years, American electricity prices rose by over 20 percent, with only about 2 percent demand growth. Clearly, that trajectory is a train wreck waiting to happen as we enter a period of rapid demand growth for electricity. Our 180-degree pivot will have to work at warp speed to enable the needed growth in electricity supply without saddling consumers with ever-rising electricity prices.”

I can go on and on, but I'll end with a few words about AI. AI is going to be truly transformative, many of the ways in which we can't even foresee today. We are already experiencing the impact, the benefits in consumer services and education and also in business efficiencies.

This is just the tip of the iceberg. Combining AI and quantum computing to drug discovery is likely to yield simply breathtaking results. The same is true for potential advancements in fusion energy, likely to be demonstrated during this administration.

I've been visiting our national laboratories, which are underappreciated gems in our country. The excitement is palpable to apply AI specifically for scientific advancement. AI impacts on national defense, both offensive and defensive, are likely also transformative.

The implications on national defense make it simply critical that America leads the AI race. We have the talent, innovative spirit and leading companies to win, but all that won't matter if we can't deliver the energy. AI is an energy-intensive manufacturing industry.

It takes massive amounts of electricity to generate intelligence. The more energy invested, the more intelligence produced. Since the demand for energy is unlimited, since the demand for intelligence is unlimited, so will be the demand for energy.

Over the last four years, American electricity prices rose by over 20 percent, with only about 2 percent demand growth. Clearly, that trajectory is a train wreck waiting to happen as we enter a period of rapid demand growth for electricity. Our 180-degree pivot will have to work at warp speed to enable the needed growth in electricity supply without saddling consumers with ever-rising electricity prices.

Consumers are rightly upset with the price rises over the last four years. This is a daunting challenge. Success will require significant regulatory changes, massive private capital deployment and innovative partnerships.

None of this will be possible without thoughtful, rational policies on energy and a truly honest assessment of climate change. We are entering truly exciting times for human progress if we play our cards right, if we can get out of the way and unleash the human spirit. I look forward to working with all of you to better energize the world and fully unleash human potential.



THE CONGRESSIONAL REVIEW ACT AND THE COMPLEX WEB OF CLIMATE LAW: REPEALING THE METHANE FEE

The U.S. House of Representatives and Senate have begun a series of Congressional Review Act (CRA) resolutions targeting last-minute regulations issued by the Biden administration. Among the first and most significant to be repealed is the methane fee, also known as the Waste Emissions Charge (WEC), which was a key component of the Inflation Reduction Act (IRA) and a central piece of Biden's climate agenda.

While the repeal of the methane fee marks a significant victory for the oil and gas industry, it also highlights the complexities of undoing climate-related policies. Climate law is an intricate framework that intertwines regulations across multiple agencies, making it difficult to fully reverse policies that impose burdens on energy producers. Even with the repeal of the WEC, other methane regulations remain in place, and the administration's broader regulatory agenda continues to shape the industry's future.

THE METHANE FEE AND ITS IMPACTS

The now-repealed methane fee imposed a charge starting at \$900 per metric ton of methane emissions exceeding federal thresholds in 2024, increasing to \$1,200 in 2025, and \$1,500 in 2026 and beyond. The EPA estimated that while only certain large emitters would be directly affected, the costs of compliance and reporting would trickle down, increasing operational expenses for producers and, ultimately, costs for consumers.

"The repeal of the methane fee is a step in the right direction for American energy security and economic stability. Independent oil and gas producers have led the way in reducing methane emissions through innovation and industry-driven solutions—not punitive taxes that raise costs for consumers. While we welcome this repeal, the fight isn't over. The Biden administration's broader regulatory agenda continues to threaten domestic energy production, and we will keep advocating for policies that support infrastructure investment, regulatory certainty, and the responsible development of America's abundant resources." – Jerry Simmons, DEPA President and CEO.


DEPA and other industry groups argued that the fee ignored the substantial methane reduction progress made voluntarily by energy producers. Between 2015 and 2022, methane emissions from U.S. onshore production declined by 37%, according to EPA data, thanks to investments in leak detection, improved equipment, and industry-led initiatives.

THE COMPLEXITY OF REPEALING CLIMATE REGULATIONS

While the CRA is an effective tool for overturning recently finalized rules, it does not address the broader regulatory framework that remains in place. The Biden administration's EPA and Interior Department have enacted additional methane-related regulations that continue to impact the industry, including:

"The repeal of the methane fee under the CRA is a victory for energy producers and consumers alike, but it does not signal the end of regulatory challenges for the oil and gas industry. Climate-related policies are deeply embedded in federal agencies, making full-scale policy reversals difficult even when Congress acts. Moving forward, industry leaders must continue advocating for infrastructure solutions, regulatory certainty, and energy policies that balance environmental goals with economic and consumer realities."

- Jerry Simmons, DEPA President/CEO

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- **BLM Methane Rule** – The Bureau of Land Management (BLM) introduced regulations tightening limits on methane flaring on federal lands, imposing new fees for exceeding these limits. The rule fails to account for the pipeline infrastructure challenges that often necessitate flaring in the first place.
 - **EPA’s Methane Reduction Plan** – Unlike previous rules that targeted new oil and gas wells, the Biden EPA expanded its methane regulations to cover existing wells, including smaller operations that were previously exempt. This sweeping rule complicates compliance, particularly for independent producers.

These regulations, combined with state-level policies and legal challenges, mean that despite the repeal of the WEC, oil and gas producers remain entangled in a web of emissions-focused mandates. Additionally, because the CRA prevents agencies from issuing “substantially similar” rules in the future, legal disputes may arise over what constitutes a similar regulation, potentially leading to further uncertainty.

A BROADER FIGHT OVER CLIMATE AND ENERGY POLICY

The methane fee is just one of approximately 40 regulations targeted for repeal under the CRA, including efficiency standards for gas-fired appliances and off-shore oil and gas lease restrictions. The Biden administration’s aggressive climate policy has resulted in a surge of last-minute regulations, many of which are now facing reversal by Congress.

One of the most contentious issues is the push for increased electric vehicle (EV) adoption, with the EPA granting California authority under the Clean Air Act to impose strict EV mandates that could spread to other states. Congressional Republicans are also using the CRA to challenge the federal government’s role in promoting ESG standards, arguing that these rules prioritize ideology over economic stability.

INFRASTRUCTURE, NOT FEES, IS THE SOLUTION

The fundamental problem with methane emissions in the oil and gas sector is not a lack of industry initiative but rather a lack of infrastructure. Pipeline constraints, due in large part to slow and restrictive federal permitting processes, leave producers with few options beyond flaring or venting excess gas. If more natural gas pipelines were permitted and built, much of the methane targeted by these regulations could be captured and brought to market, benefiting both producers and consumers.

Instead of imposing fees that discourage investment, lawmakers should prioritize policies that streamline permitting and encourage infrastructure development. The industry has already demonstrated its commitment to reducing emissions, but it needs regulatory support that enables, rather than hinders, these efforts.

FROM PETROLEUM TO FERTILIZER AND EMISSIONS REDUCTION USES

BY NATHAN HAMMER

When we think of petroleum, most of us picture gasoline or plastic. But did you know that crude oil and natural gas are the building blocks for many products we use daily, including fertilizers and emissions-reducing additives? Let's look at oil wells to farm fields, clean-running diesel engines, and even power plant emissions control systems.

In this article, we'll explore how:

- Sulfur from crude oil becomes fertilizer
- Natural gas transforms into ammonia
- Ammonia and CO₂ combine to make urea
- Urea and ammonium nitrate create UAN fertilizer
- Urea serves as a key ingredient in diesel exhaust fluid (DEF)
- Ammonia is used to reduce emissions in power plants

Each of these processes represents an ingenious way that we've learned to use petroleum resources to support agriculture, reduce emissions, and improve our daily lives.

FROM CRUDE OIL TO FERTILIZER

We often think of sulfur in crude oil as an unwanted impurity, but it's actually a valuable resource. During oil refining, sulfur compounds are converted to hydrogen sulfide gas. This gas then goes through the Claus process, where it's transformed into pure elemental sulfur.

But the journey doesn't end there. This sulfur can be burned to produce sulfur dioxide, which is then converted to sulfuric acid. Sulfuric acid is a key ingredient in making various fertilizers, including superphosphates and ammonium sulfate.

It's pretty amazing when you think about it - what starts as an impurity in oil ends up nourishing crops in fields across the world!

NATURAL GAS TO AMMONIA AND THE HABER-BOSCH PROCESS

Next, let's look at how we turn natural gas into ammonia, a crucial component of many fertilizers and, as we'll see later, an important player in emissions reduction.

The process starts with methane, the main component of natural gas. Through a series of reactions involving high temperatures, pressure, and catalysts, the methane is converted into hydrogen. This hydrogen is then combined with nitrogen from the air in a process called the Haber-Bosch process.

The result? Ammonia - a simple compound of nitrogen and hydrogen that's fundamental to modern agriculture and emissions control. While fertilizer production is the primary use of ammonia, accounting for about 80% of consumption, other significant applications include:

- 1) production of plastics and synthetic fibers,
- 2) manufacture of explosives,
- 3) use as a refrigerant gas,
- 4) production of cleaning products, and
- 5) use in water treatment processes.

UREA = AMMONIA + CO₂

Now that we have ammonia, we can take it a step further to produce urea. This process is a great example of how the chemical industry can use CO₂ - yes, the same CO₂ we often talk about as a greenhouse gas!



Nathan is an experienced entrepreneur and problem-solver focused on optimizing complex and heavily-regulated industries through innovative process improvements and technology-driven solutions. He seamlessly blends his 16 years of hands-on experience in field services, construction, operations, maintenance, technology, and environmental & safety compliance (USEPA, CISA, PHMSA, DOT, OSHA) across diverse sectors in 29 states.

Stay up to date with the American energy and manufacturing sectors by following his LinkedIn newsletter **SYNERGIZING AMERICA**.

You can also follow him at **NATHANHAMMER.SUBSTACK.COM**.

Ammonia is combined with CO₂ under high pressure and temperature. The result is urea, a solid fertilizer that's easy to transport and apply to fields. It's like a pretty slick recycling process, turning a waste product (CO₂) into something useful.

UAN

UAN, or Urea Ammonium Nitrate, is a liquid fertilizer that combines the benefits of urea and ammonium nitrate. To make it, manufacturers mix urea solution with ammonium nitrate solution and water.

The ammonia we talked about earlier plays a double role here. It's used to make the urea component, and it's also reacted with nitric acid to form the ammonium nitrate part. The result is a versatile liquid fertilizer that farmers can easily apply to their fields.

UREA'S SECOND JOB: DIESEL EXHAUST FLUID (DEF)

Urea isn't just for feeding plants - it's also helping to clean up diesel engine emissions. Diesel Exhaust Fluid, or DEF, is a solution of 32.5% urea and 67.5% deionized water.

When DEF is injected into the exhaust stream of a diesel engine, the heat breaks it down into ammonia. This ammonia then reacts with nitrogen oxides in the exhaust, converting them into harmless nitrogen and water vapor.

It's a neat trick - using a product derived from hydrocarbons to make those same fuels burn cleaner!

AMMONIA IS A KEY PLAYER IN POWER PLANT EMISSIONS REDUCTION

Let's talk about the important role ammonia plays in making our power plants cleaner. Many power plants across the United States use a technology called Selective Catalytic Reduction (SCR) to reduce nitrogen oxide (NO_x) emissions. Ammonia is a crucial component in this process.

Here's how it works:

Ammonia injection. In an SCR system, ammonia is injected into the exhaust gas stream of the power plant. This typically happens after the boiler but before the exhaust reaches the flue-gas stack.

Catalyst reaction. The exhaust gas, now mixed with ammonia, passes through a special catalyst. This catalyst is usually made of materials like titanium oxide, vanadium oxide, or zeolites.

Chemical conversion. When the ammonia-rich exhaust meets the catalyst, a chemical reaction occurs. The ammonia reacts with the nitrogen oxides in the presence of the catalyst, converting these harmful compounds into harmless nitrogen gas and water vapor.

Emission reduction. This process can remove 70-90% of the NO_x emissions from the power plant's exhaust, significantly reducing its environmental impact.

Power plants have a few options when it comes to the type of ammonia they use:

Anhydrous ammonia. This is pure ammonia in gas form. It's very effective but requires careful handling due to its toxicity and potential hazards.

Aqueous ammonia. This is a solution of ammonia in water, typically 19% or 29% concentration. It's safer to handle than anhydrous ammonia but still requires careful management.

Urea. Some power plants use urea instead of ammonia directly. Urea is converted to ammonia on-site before being injected into the exhaust stream. This option is considered the safest in terms of storage and handling.

The choice between these options often depends on factors like plant size, location, and local regulations.

While SCR technology is highly effective, plant operators must carefully control the amount of ammonia used. If too much ammonia is injected, it can lead to "ammonia slip," where excess ammonia escapes into the atmosphere. This is both wasteful and potentially harmful.

To optimize the process, power plants use sophisticated control systems that adjust ammonia injection based on factors like the plant's operating load, the temperature of the exhaust gas, and continuous measurements of NO_x levels.

Whoa, that was a lot. So, as we close...

From oil wells to the soil in our fields, the air from our tailpipes, and even the emissions control systems of our power plants, **petroleum products play a hidden but crucial role in our lives.**

The next time you see a lush green field, a clean-running diesel truck, or a power plant with barely visible emissions, remember - there's a bit of petroleum chemistry at work behind the scenes, often in ways you might not expect!

As we continue to innovate and find new ways to use these chemical building blocks, who knows what other solutions we might discover? The journey from crude oil to clean air is an ongoing process, and it's an exciting road ahead.

Whew! That was a long one. Thanks for hanging in there with me and I hope you found this article of value.

AMERICA'S REFINING INDUSTRY AT RISK: THE URGENT NEED FOR POLICY SOLUTIONS

America's refining industry is at a crossroads. Without proactive policy solutions, the nation risks becoming energy-independent in crude production while losing independence in refined fuels. Addressing infrastructure barriers, reforming regulations, and ensuring sustainable crude access are essential to maintaining a robust and resilient refining sector. **The time to act is now.**

The United States' refining sector, a critical component of national energy security and economic stability, faces a long-term decline. President Trump's National Energy Emergency Executive Order (EO) accurately identifies the decreasing domestic and regionally diverse refining capacity as a significant risk. While Gulf Coast capacity expansions offer some relief, overall U.S. refining capabilities are shrinking, even as global refining expands.

THE FOUR PRIMARY FACTORS BEHIND DOMESTIC REFINING DECLINE

1. Declining Long-Term Demand Projections

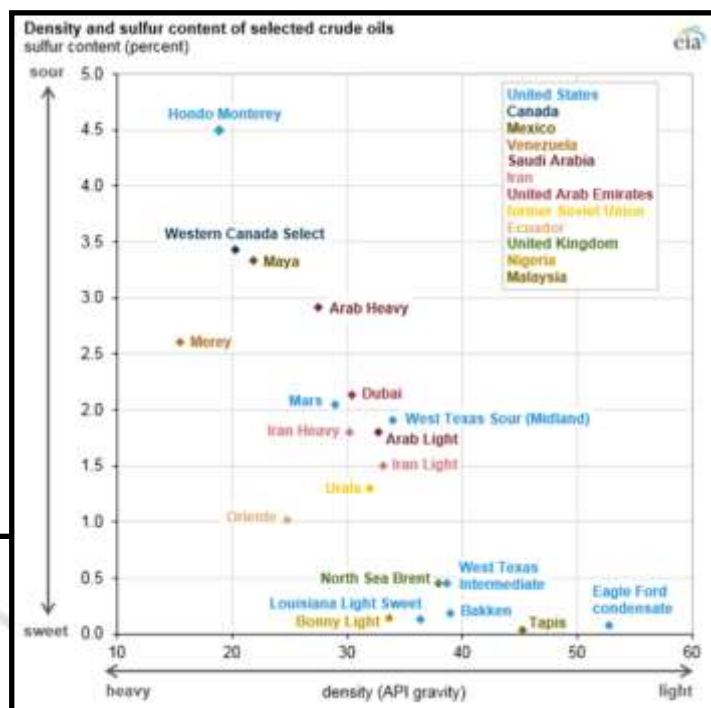
Global refining capacity is shifting, with major expansions occurring outside of North America. Between 2019 and 2025, the U.S. and Canada will see a net refining loss of 1.44 million barrels per day (MMb/d), while regions like the Middle East (+2.51 MMb/d) and Asia-Pacific (+2.58 MMb/d) experience substantial growth. This shift further threatens America's ability to maintain its role as a global refining leader.



2. Crude Access: Not All Oil is Created Equal

Refineries are designed for specific types of crude oil, categorized as light, medium, or heavy. Many U.S. refineries were reconfigured before the shale revolution to process significant amounts of heavy crude. However, with domestic production now dominated by light crude from shale, refineries have reached their limits in processing lighter grades.

Without adequate access to heavy crude, U.S. refiners must rely on imports, particularly in regions outside of the Gulf Coast. Pipeline infrastructure limitations and regulatory barriers further exacerbate the issue, turning increased domestic production into "export oil" instead of refining feedstock.



3. Infrastructure Constraints and

Crude Transportation Limitations

Pipeline networks primarily run north-south, with little east-west connectivity. This leaves East and West Coast refineries without direct pipeline access to domestic crude. Instead, they rely on costly alternatives like crude-by-rail, which is ten times more expensive than pipeline transport.

The Jones Act further compounds transportation costs, requiring U.S.-built, flagged, and crewed vessels for domestic crude shipments. This policy makes shipping crude within the U.S. twice as expensive as using foreign-flagged vessels. Consequently, coastal refiners remain dependent on foreign crude imports, while Gulf refiners dominate domestic crude processing.

4. Regulatory Burdens Contribute to Refinery Closures

The U.S. Department of Energy's 2011 report noted that environmental compliance costs significantly contributed to 66 refinery shutdowns between 1990 and 2010. State and federal overregulation have only worsened since then, accelerating refinery closures, especially on the East and West Coasts.

From 2010 to 2025, refinery closures and conversions to renewable fuel facilities will eliminate over 1.4 MMb/d of refining capacity. Phillips 66's recent decision to close its Los Angeles refinery by October 2025, following shutdowns in Santa Maria (2023) and Rodeo (2024), highlights the regulatory and economic pressures forcing refineries out of operation. These closures contribute to fuel supply constraints and price volatility, as seen in Los Angeles spot gasoline prices exceeding \$5 per gallon during seasonal refinery maintenance periods.

PRESERVING AMERICA'S REFINING LEADERSHIP

Despite these challenges, U.S. refiners, particularly on the Gulf Coast, continue to supply domestic and international markets with refined products, notably diesel. However, increasing foreign refining capacity threatens U.S. exporters, making action necessary to preserve refining capabilities.

POLICY RECOMMENDATIONS TO PROTECT AMERICAN REFINING

- **Ensure cost-effective access to heavy crude.** Policies that restrict heavy crude imports without viable alternatives could jeopardize refining capacity, particularly in the Midwest.
- **Encourage domestic heavy oil production.** Regulations that impede heavy crude output should be reassessed to support domestic refining needs.
- **Address infrastructure constraints.** Existing pipeline networks should be expanded, and new limitations should be avoided to improve refinery access to domestic crude.
- **Reform permitting and litigation policies.** Frivolous lawsuits and permitting delays for pipeline infrastructure threaten crude supply reliability.
- **Manage regulatory burdens to lower refining costs.** The Renewable Fuel Standard (RFS) has historically added \$4 to \$10 per barrel in refining costs and should be revised to reduce financial strain on refiners.
- **End electric vehicle (EV) mandates that disincentivize refining investment.** Policies promoting electrification at the expense of liquid fuels undermine the economic viability of refineries.

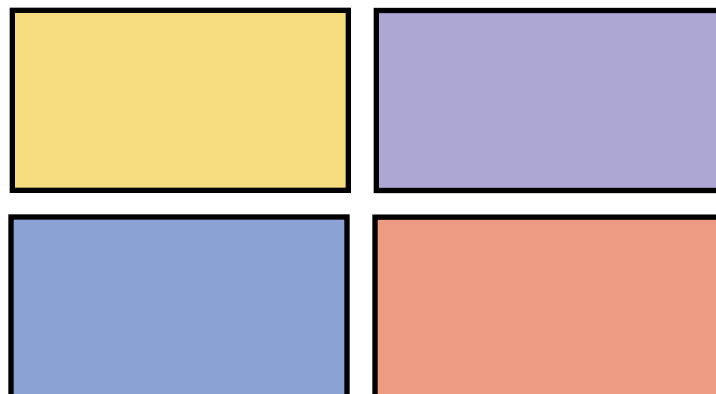
Petroleum Administration for Defense Districts



Source: U.S. Energy Information Administration.

The United States is divided into five Petroleum Administration for Defense Districts, or PADDs. These were created during World War II under the Petroleum Administration for War to help organize the allocation of fuels derived from petroleum products, including gasoline and diesel (or "distillate") fuel. Today, these regions are still used for data collection purposes.

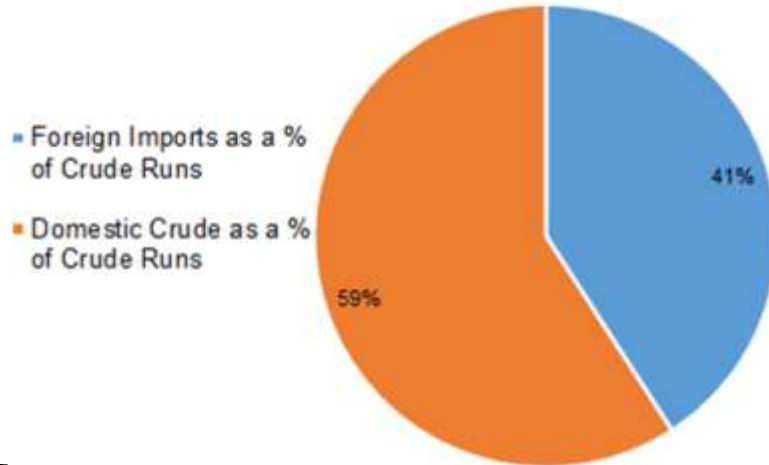
The Petroleum Administration for War was established in 1942 by executive order, and abolished in 1946. The districts are now named for the later Petroleum Administration for Defense which existed during the Korean War. It was established by the Defense Production Act of 1950, then abolished in 1954, with its role taken over by the United States Department of the Interior's Oil and Gas Division. The US government divided the US into five Petroleum Administration for Defense Districts (PADDs). These were created during World War II to help organize the allocation of fuels, including gasoline and diesel fuel. Today, these regions are still used for data collection purposes.



TOTAL US MARKET BALANCES: 2024

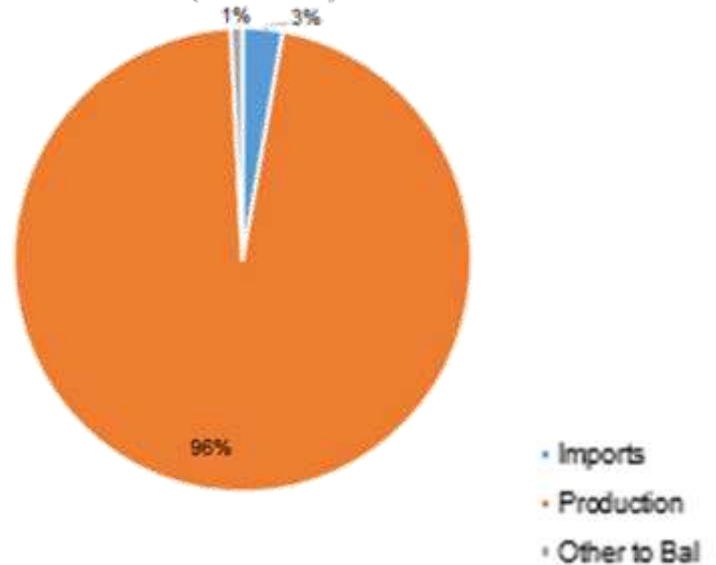
CRUDE

2024: Total US Crude Runs and Fuel Supply Sources (Total Crude Runs ~ 16.1 MMb/d)



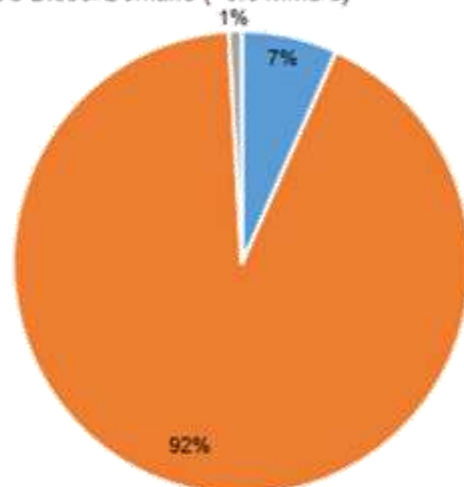
DIESEL

2024: Total US Diesel Market: Supply sources as a % of total US Diesel Demand (~5.1 MMb/d)



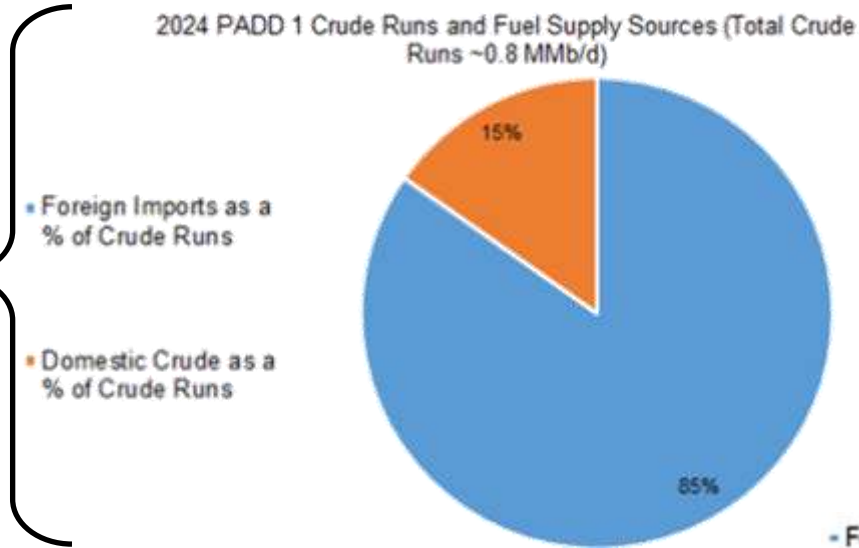
GASOLINE

2024: Total US Gasoline Market: Supply sources as a % of total US Diesel Demand (~9.8 MMb/d)



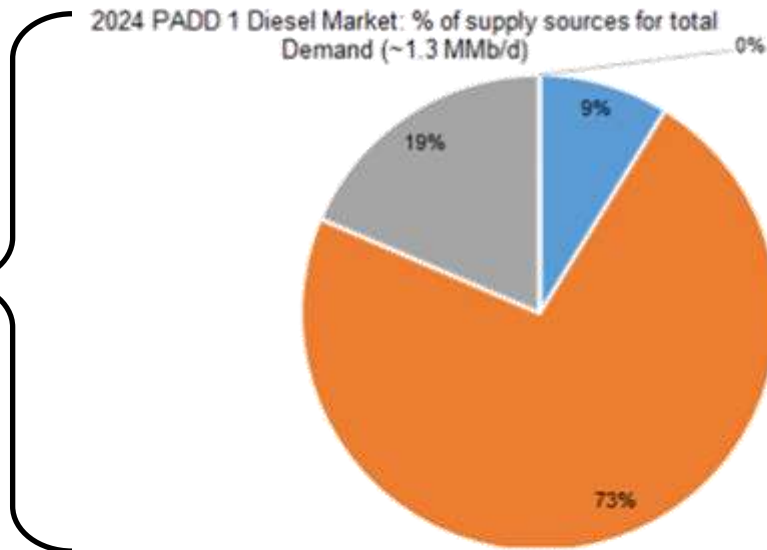
PADD 1 MARKET BALANCES: 2024

CRUDE



- Foreign Imports as a % of Total Demand

DIESEL

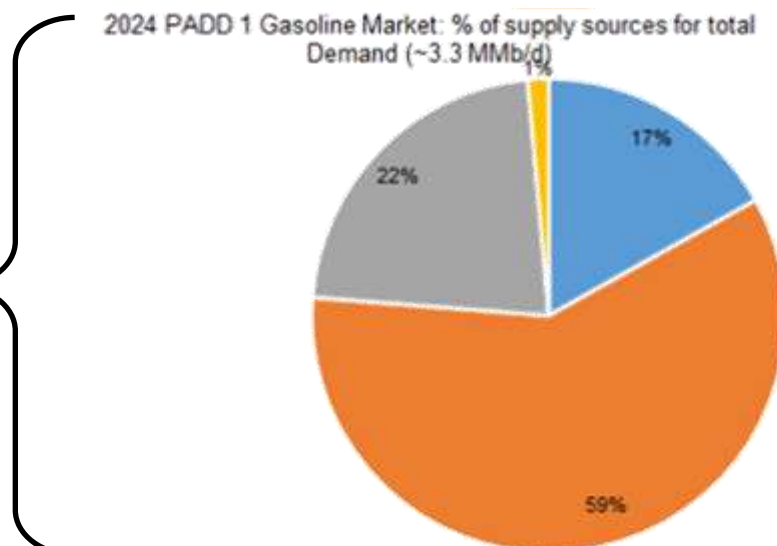


- Supply from other US regions as % of total demand

- Production as a % of Total Demand

- Other to bal as a % of Total Demand

GASOLINE

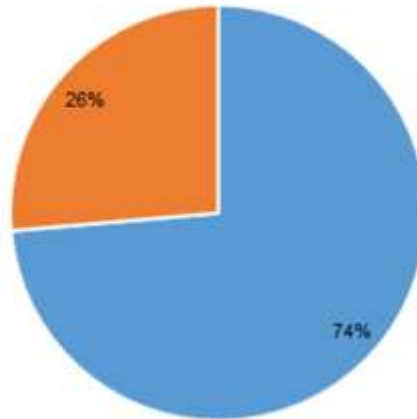


PADD 2 MARKET BALANCES: 2024

CRUDE

2024: PADD 2 Crude Runs and Fuel Supply Sources (Total Crude Runs ~3.9 MMb/d)

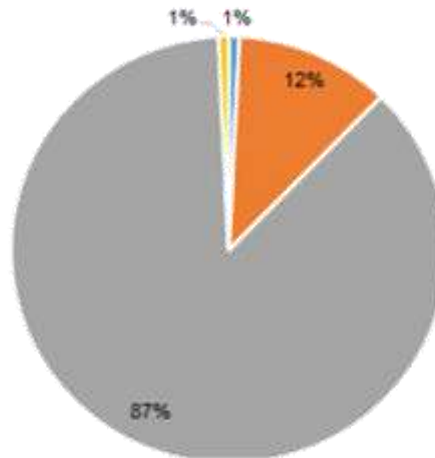
- Foreign Imports as a % of Crude Runs
- Domestic Crude as a % of Crude Runs



- Foreign Imports as a % of Total Demand
- Supply from other US regions as % of total demand
- Production as a % of Total Demand

DIESEL

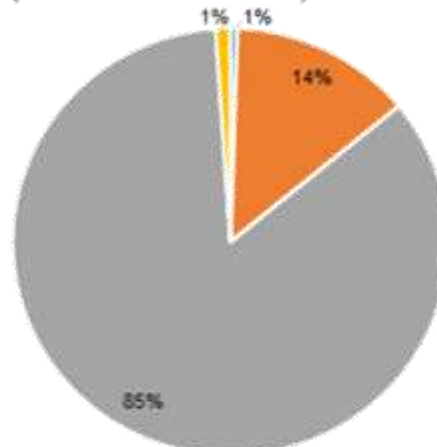
2024 PADD 2 Diesel Market: % of supply sources for total Demand (Total demand ~1.4 MMb/d)



- Other to bal as a % of Total Demand

GASOLINE

2024 PADD 2 Gasoline Market: % of supply sources for total Demand (Total demand ~2.7 MMb/d)

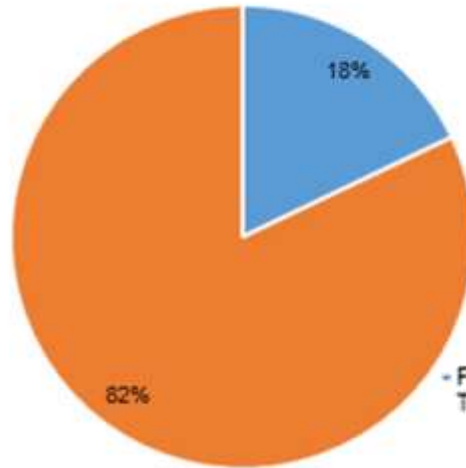


PADD 3 MARKET BALANCES: 2024

CRUDE

2024 PADD 3 Crude Runs and Fuel Supply Sources (Total Crude Runs ~8.8 MMb/d)

- Foreign Imports as a % of Crude Runs
- Domestic Crude as a % of Crude Runs

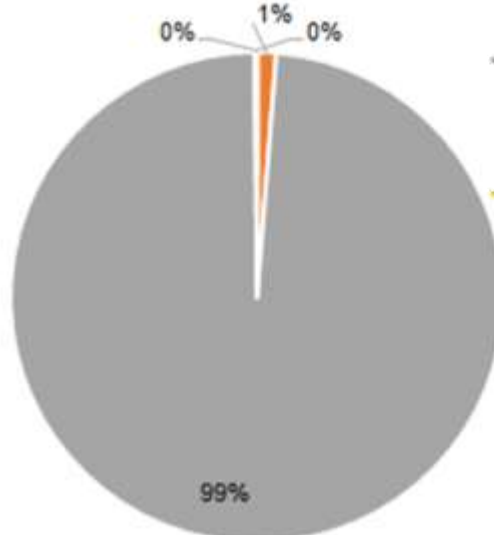


- Foreign Imports as a % of Total Demand

DIESEL

2024 PADD 3 Diesel Market: % of supply sources for total demand (Total demand ~2.9 MMb/d)

- Supply from other US regions as % of total demand

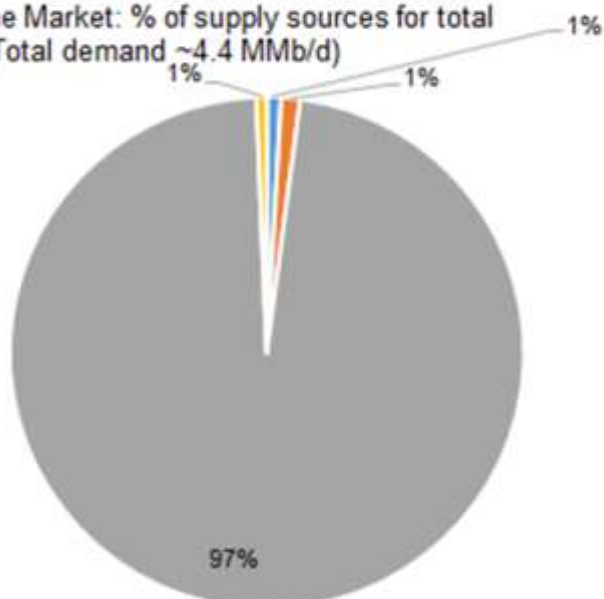


- Production as a % of Total Demand

- Other to bal as a % of Total Demand

GASOLINE

2024 PADD 3 Gasoline Market: % of supply sources for total demand (Total demand ~4.4 MMb/d)

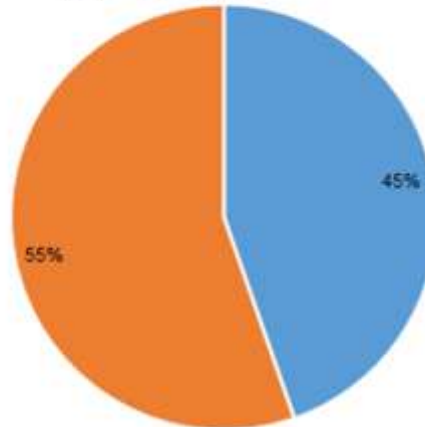


PADD 4 MARKET BALANCES: 2024

CRUDE

2024 PADD 4 Crude Runs and Fuel Supply Sources (Total Crude Runs ~0.6 MMb/d)

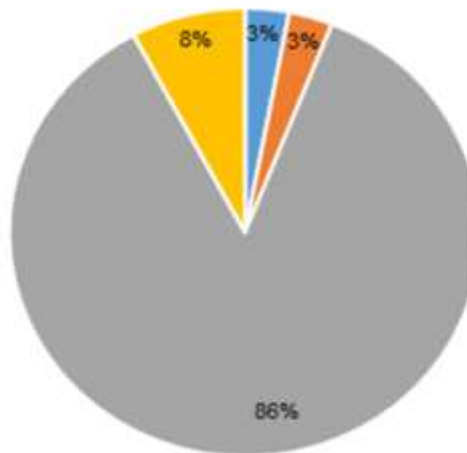
- Foreign Imports as a % of Crude Runs
- Domestic Crude as a % of Crude Runs



- Foreign Imports as a % of Total Demand
- Supply from other US regions as % of total demand

DIESEL

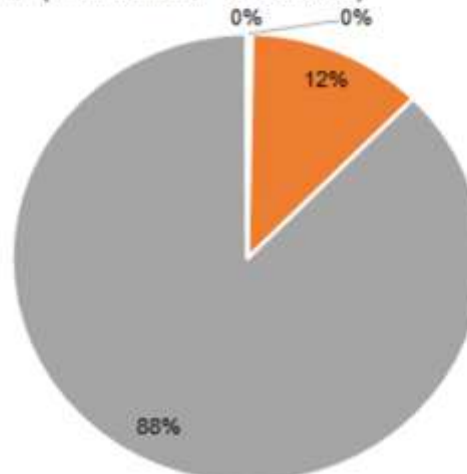
2024 PADD 4 Diesel Market: % of supply sources for total demand (Total demand ~0.2 MMb/d)



- Production as a % of Total Demand
- Other to bal as a % of Total Demand

GASOLINE

2024 PADD 4 Gasoline Market: % of supply sources for total demand (Total demand ~0.4 MMb/d)

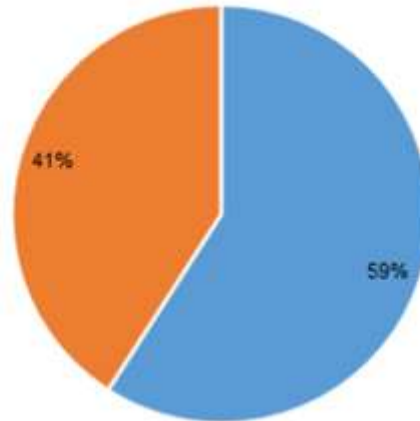


PADD 5 MARKET BALANCES: 2024

CRUDE

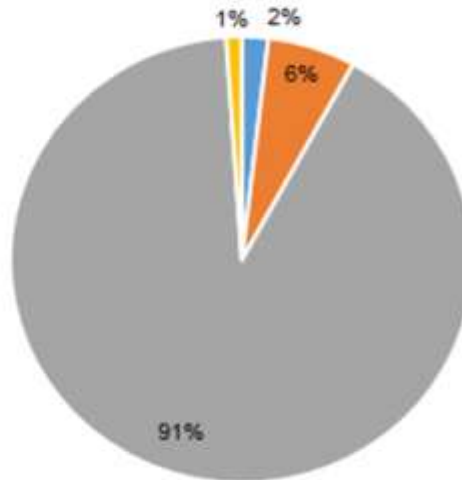
2024 PADD 5 Crude Runs and Fuel Supply Sources (Total Crude Runs ~2.2 MMb/d)

- Foreign Imports as a % of Crude Runs
- Domestic Crude as a % of Crude Runs



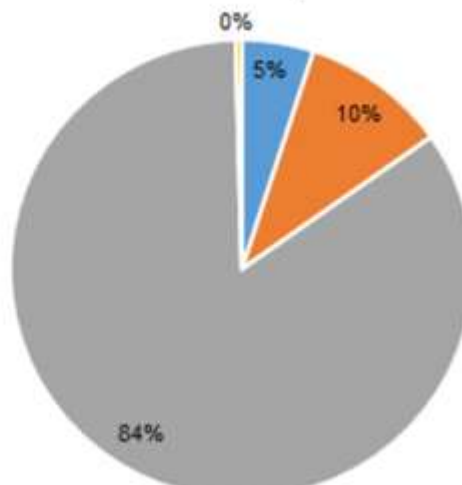
DIESEL

2024 PADD 5 Diesel Market: % of supply sources for total demand (Total demand ~0.7 MMb/d)

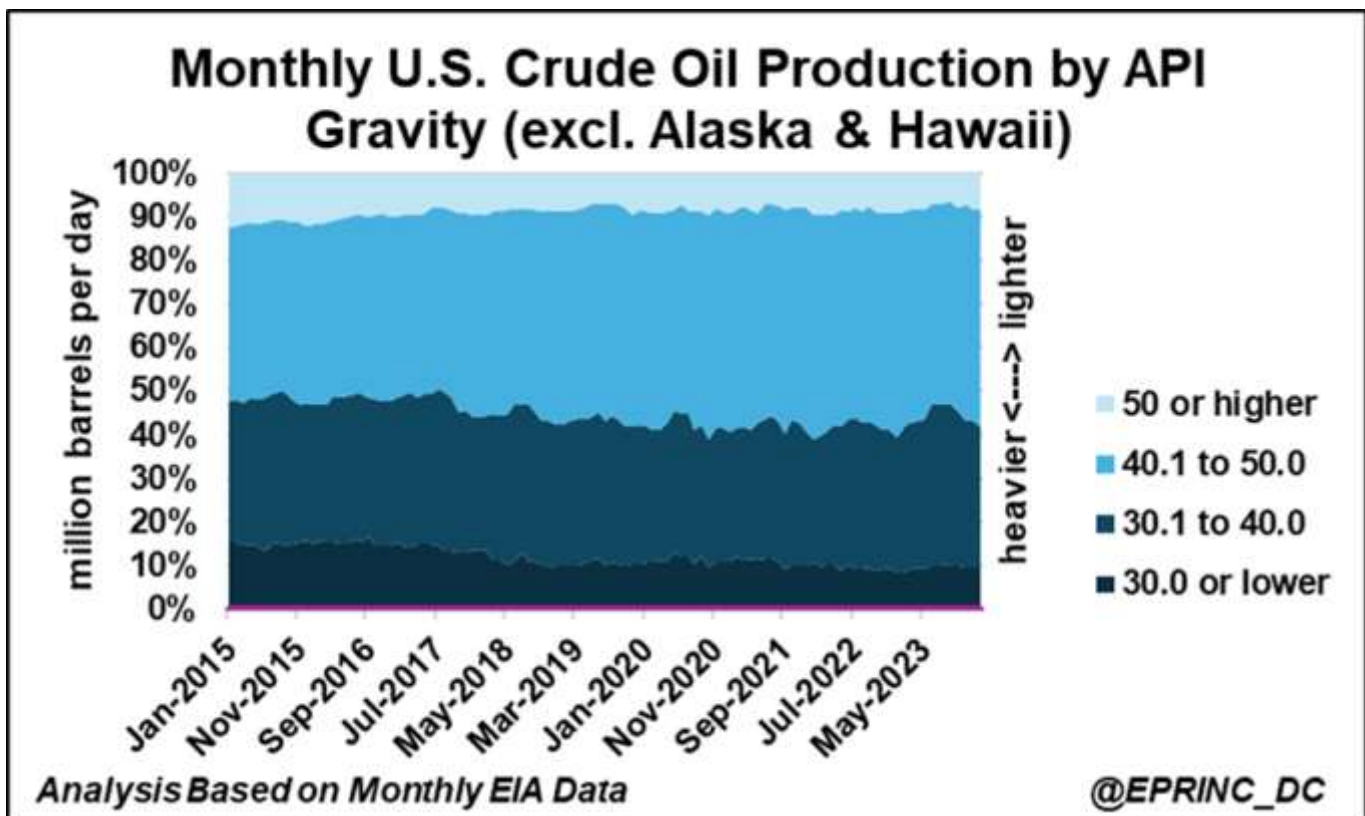
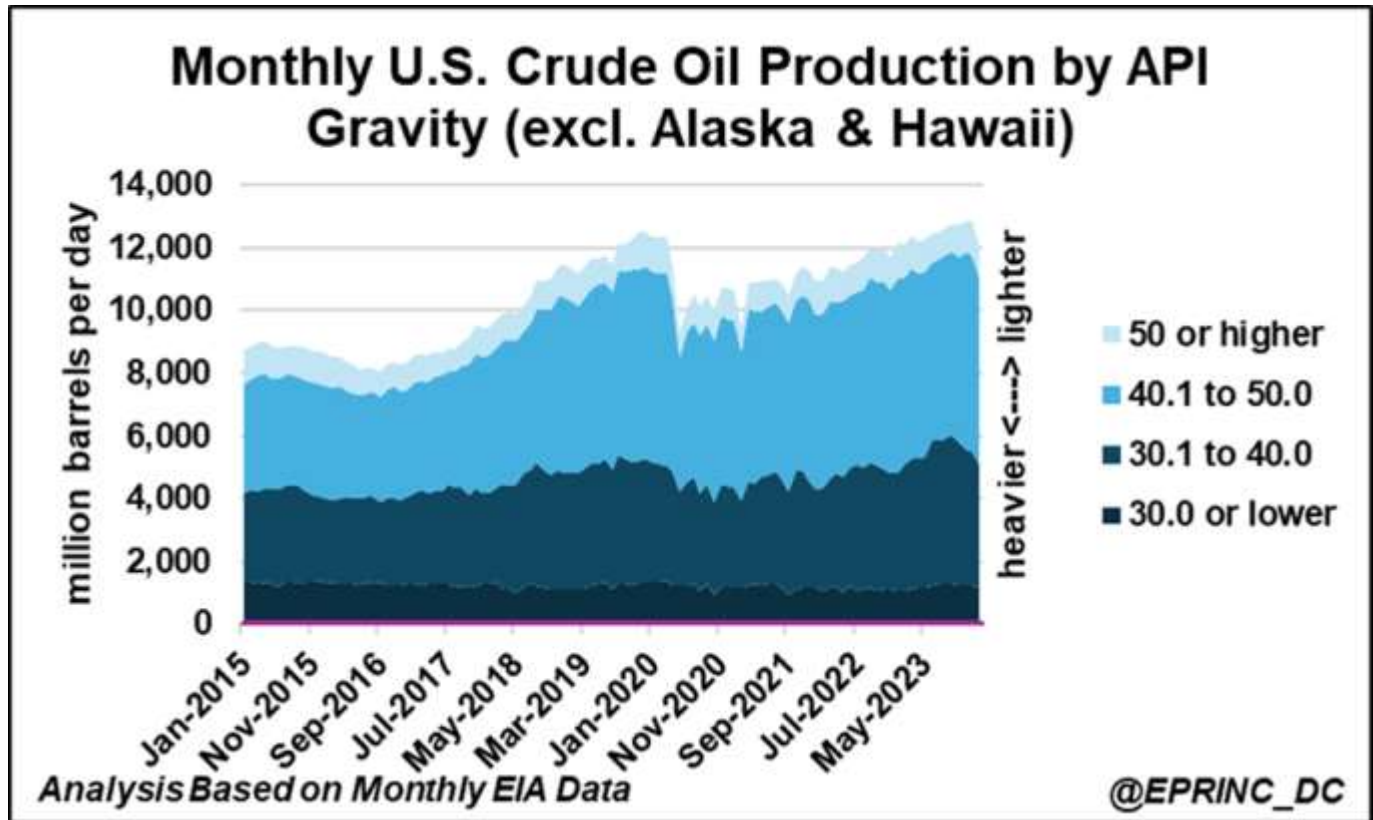


GASOLINE

2024 PADD 5 Gasoline Market: % of supply sources for total demand (Total demand ~1.5 MMb/d)



TOTAL US CRUDE PRODUCTION BY GRADE

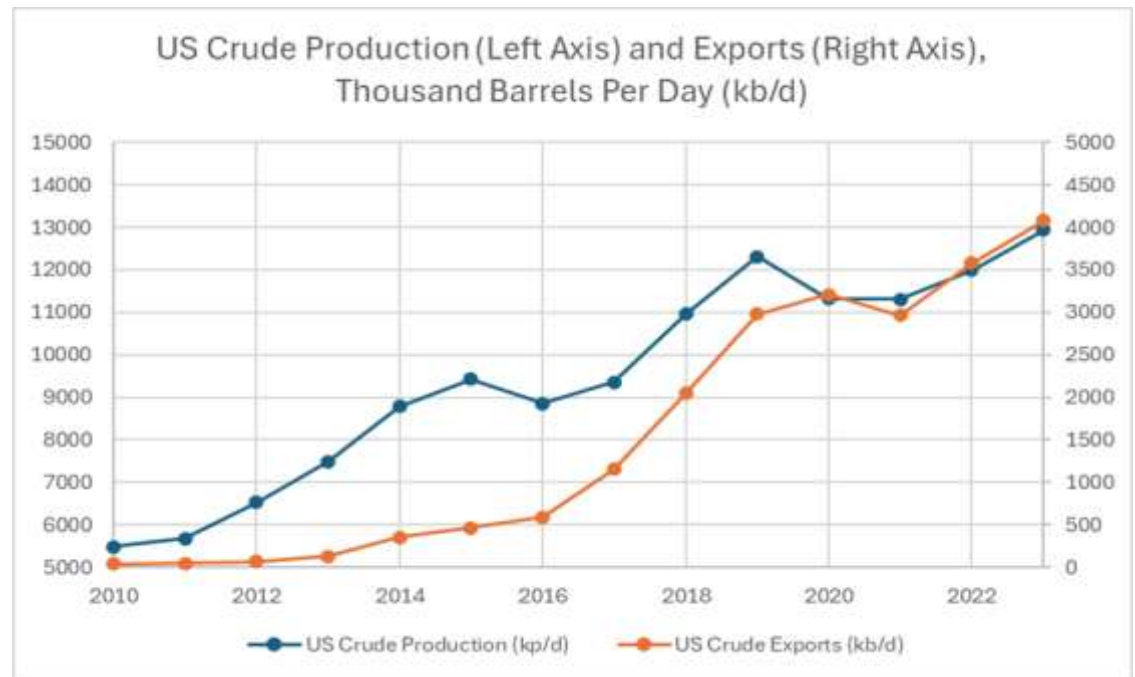


SOURCE

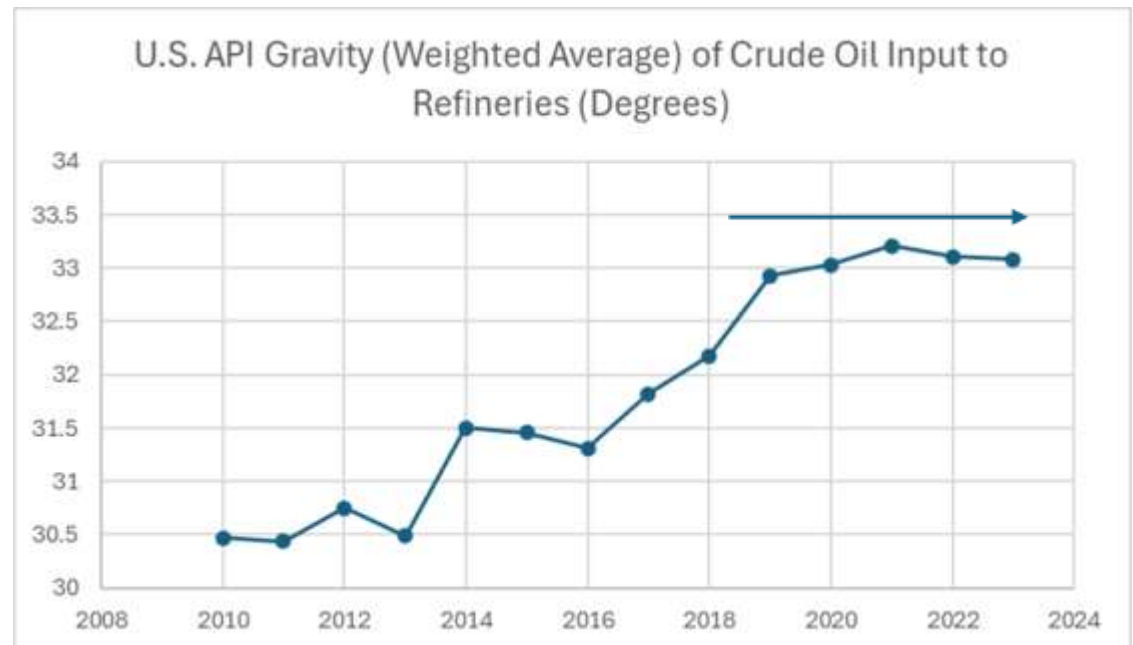


US REFINING SYSTEM HAS A LIMIT FOR DOMESTIC “LIGHT” CRUDE PRODUCTION

Crude exports have increased proportionally with increased domestic production, because...



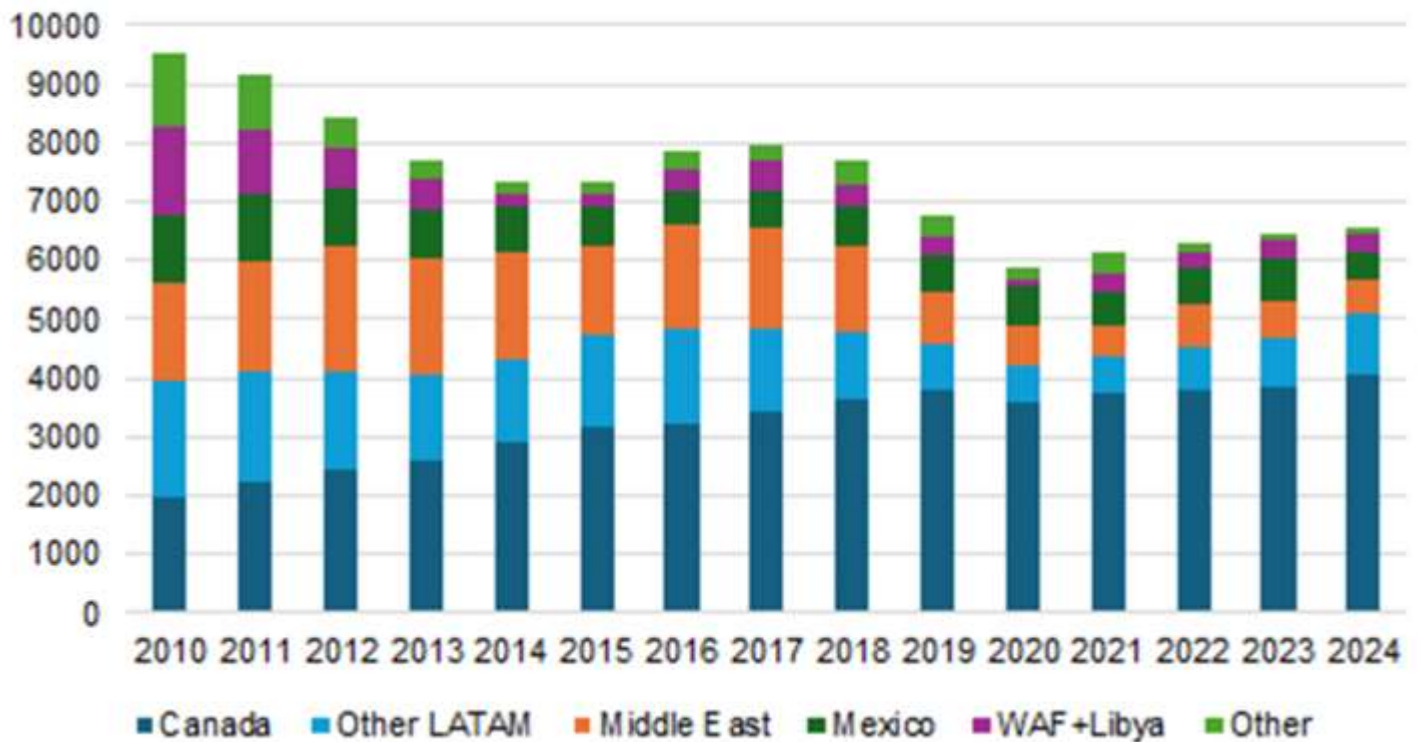
U.S. refiners have maxed out their ability to run the “light” crude coming from shale production.



SOURCE: EIA

US CRUDE OIL IMPORTS

US Foreign Crude Oil Imports, kb/d



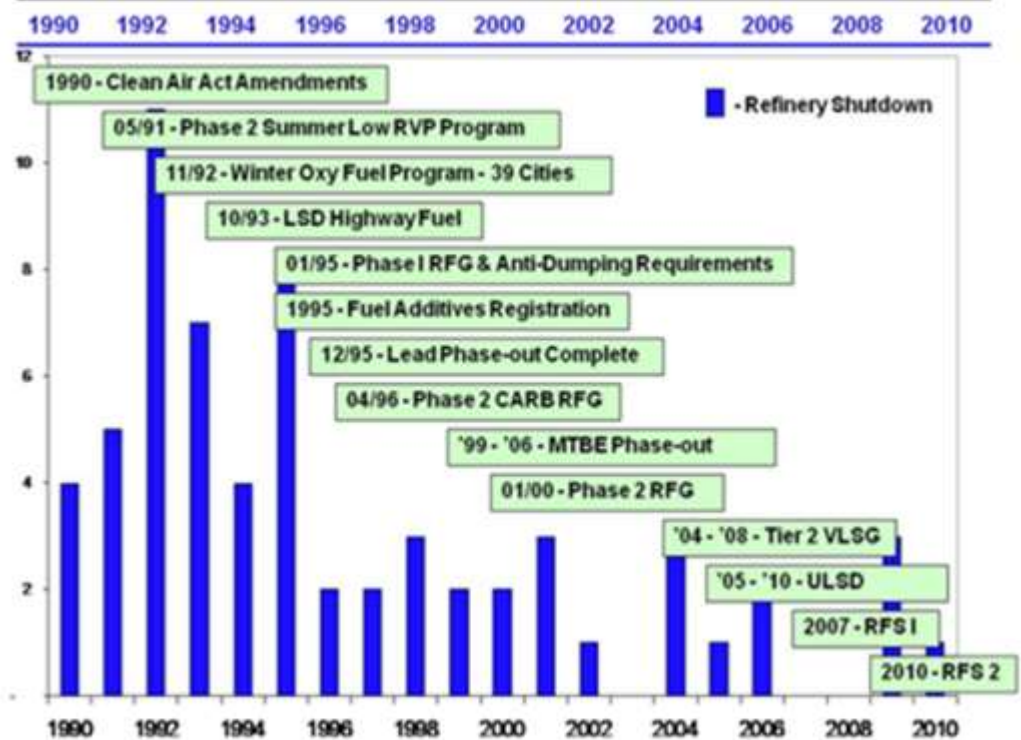
REGULATIONS CONTRIBUTE TO REFINING CHALLENGES

DOE 2011 Report:

In addition, compliance with environmental regulations has increased the fixed and variable costs of refinery operations. The cost of compliance contributed to economic stresses that resulted in the shutdown of 66 refineries from 1990 through 2010.

Source: U.S. Department of Energy (DOE) Small Refinery Exemption Study, March 2011

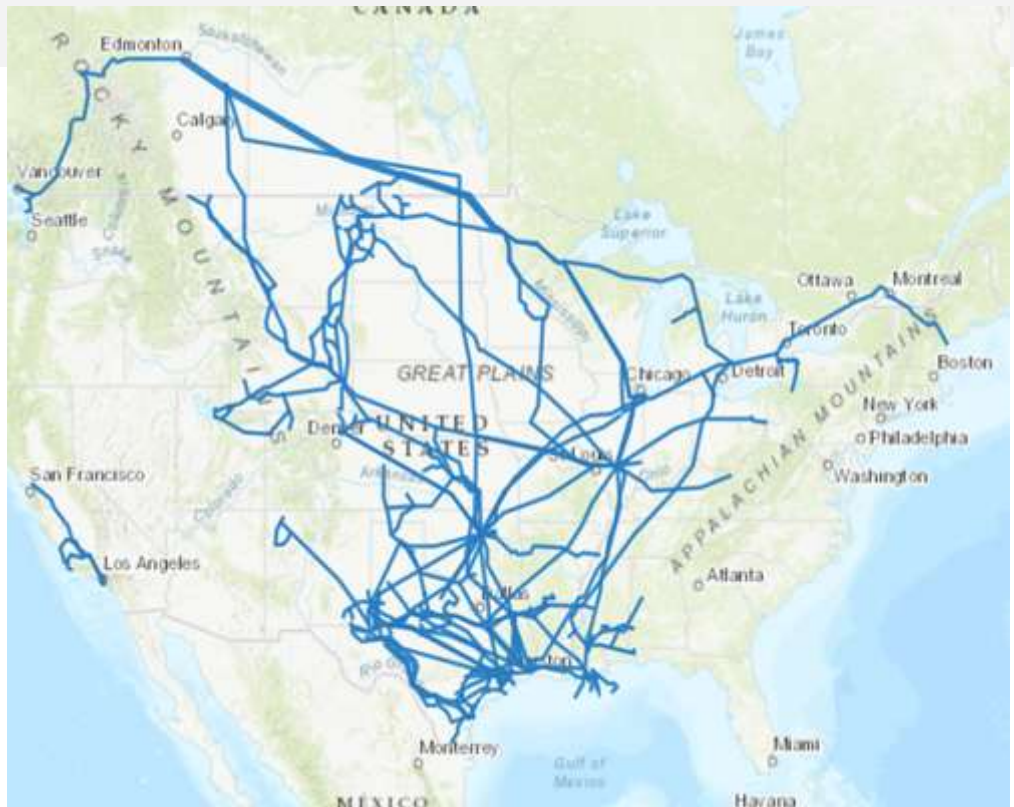
Figure 9. U.S. Refined Product Environmental Regulations 1990-2010



Source: SAIC, 2010, EIA Table 15 - Refineries Permanently Shut Down, 2010.

INFRASTRUCTURE CONSTRAINTS: CRUDE TRANSPORTATION LIMITATIONS

- Crude pipelines primarily move north-south, NOT east-west.
- There is no crude pipeline within 200 miles of an East Coast Refiner; further in relation to West Coast.
 - Crude-By-Rail costs 10x pipeline movements.
- This constraint, coupled with U.S. refiner configuration, incentives shale crudes to be refined in the Gulf or exported.
- Insufficient Jones Act vessels limit the ability to move domestic crudes on a ship from the Gulf Coast to East & West Coasts.
 - Jones Act requires ships moving from one U.S. port to the other to be U.S. built, flagged and crewed.
- Jones Act shipments cost 2x foreign flagged shipments.
- Pipeline and Jones Act limitations essentially make the East Coast *reliant* on foreign crude.
- West Coast faces the same challenge, compounded by various state regulations that raise refining costs exponentially, while shutting in California crude production.



A BRIEF HISTORY OF THE JONES ACT

The **Jones Act**, officially known as the **Merchant Marine Act of 1920**, is a key piece of U.S. maritime law designed to support the American shipping industry and national security. The act requires that goods transported between U.S. ports be carried on vessels that are **U.S.-built, U.S.-owned, and U.S.-crewed**.

Originally enacted to strengthen the domestic shipping industry after World War I, the Jones Act ensures that the U.S. maintains a strong merchant marine fleet capable of supporting national defense and commerce. However, in modern times, the act has had unintended consequences, particularly for industries like **oil and gas**, by increasing transportation costs and limiting the availability of vessels for domestic crude and refined product shipments.

Critics argue that the law **raises energy prices** by making it more expensive to transport oil and natural gas between U.S. ports, especially when foreign-flagged ships could do so at lower costs. Supporters, however, maintain that the Jones Act protects American jobs, enhances maritime security, and preserves the shipbuilding industry.

Given its impact on energy logistics, the Jones Act remains a subject of **intense debate** within the oil and gas sector, with ongoing discussions about potential waivers or reforms to reduce costs while maintaining national security benefits.

PADD 1 & 5 REFINERY CLOSURE TABLE

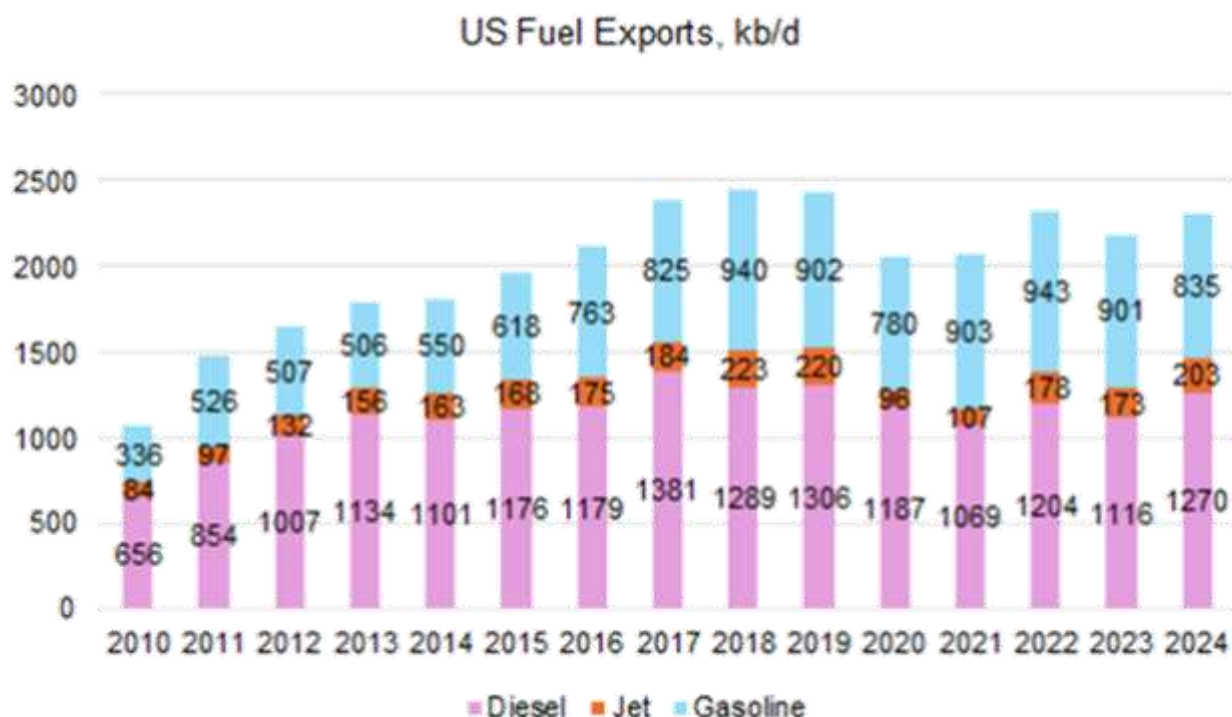
- Cost of crude, infrastructure barriers and state/regulatory factors have been most acute on the East and West Coasts.
- As a result, they have borne the brunt of domestic refining closures, totaling over 1.4 MMb/d after taking into account renewable fuel conversions since 2010.

Company	Closed Refinery Location	PADD	Year	Lost Petroleum Refining Barrels Per Day (BPD)	New Alternative Fuel BPD
Sunoco	Eagle Point/Westville, NJ	1	2010	145,000	0
Sunoco	Marcus Hook, PA	1	2011	178,000	0
Alon	Los Angeles, CA	5	2012	90,000	25,000
Western Refining	Yorktown, VA	1	2012	66,300	0
Flint Hills Resources	North Pole, AK	5	2014	85,000	0
PES	Philadelphia, PA	1	2019	335,000	0
Marathon	Martinez, CA	5	2020	161,000	48,000
North Atlantic Refining	Come by Chance, NEW, Ca	1	2021	130,000	14,000
Phillips 66	Santa Maria, CA	5	2023	44,500	0
Phillips 66	Rodeo, CA	5	2024	140,000	44,357
Phillips 66	Los Angeles, CA	5	2025	165,000	0
TOTALS				1,539,800	131,357
NET LOST FUEL SUPPLY				1,408,443	

Source: Press reports & company websites

U.S. STILL SERVES AS THE WORLD'S REFINER, BUT STATUS IS AT RISK

- Despite the decline in refining, the U.S. can currently still act as the world's refiner, primarily in relation to diesel fuel.
- Gulf Coast refiners produce enough fuel to meet their regional demand, serve other U.S. regions to the extent infrastructure allows AND export substantial amounts of diesel (and, to a lesser extent, gasoline).
- However, increased foreign competition puts Gulf refiners' exporter status at risk.



PROTECTING AMERICAN REFINING:

ENSURING COST-EFFECTIVE ACCESS TO HEAVY CRUDE

As policymakers and industry leaders consider the future of American refining, it is critical to ensure cost-effective access to heavy crude. Tariffs on heavy crude from allied nations—without suitable replacements—could jeopardize refining capacity, particularly in the Midwest, where refineries rely on these imports to maintain operations efficiently. Additionally, actions that drive up the price of heavy crude, such as rapidly refilling the Strategic Petroleum Reserve (SPR), could further strain the refining sector.

ENCOURAGING DOMESTIC HEAVY CRUDE PRODUCTION

Consistent with provisions in the Energy Security Act (ESA), efforts should focus on encouraging domestic heavy crude production and halting regulations that disproportionately impact heavy oil development. A regulatory environment that supports domestic production will enhance energy security and ensure a stable supply for refiners.

ADDRESSING INFRASTRUCTURE CONSTRAINTS

Infrastructure constraints present another major challenge to American refiners. Frivolous lawsuits targeting existing pipelines threaten the steady supply of crude, while permitting delays hinder necessary pipeline replacements and expansions. Addressing these challenges is essential to maintaining a stable and efficient refining sector. Additionally, policymakers should explore options for enhancing pipeline access to “islandized” refineries, which often face logistical hurdles in securing an adequate supply of crude.

REDUCING REGULATORY COSTS FOR DOMESTIC REFINERS

Regulatory costs continue to burden domestic refiners, making American fuel production less competitive. The Renewable Fuel Standard (RFS) has historically added \$4 to \$10 per barrel to refining costs. A reassessment of the program to ensure cost-effectiveness could provide significant relief to refiners and, ultimately, consumers. Furthermore, ending electric vehicle (EV) mandates that disincentivize refining investment is crucial to maintaining a robust domestic refining industry.

REFINING POLICY PRIORITIES IN TRADE NEGOTIATIONS

Rather than focusing trade deliberations on crude supply, policymakers should prioritize addressing foreign-manufactured petroleum products. Ensuring fair competition for American-made refined products in the global marketplace will support domestic refiners and strengthen the U.S. energy industry.

The future of American refining depends on sound policies that promote cost-effective crude supply, address infrastructure bottlenecks, and manage regulatory costs. By taking strategic action in these areas, industry stakeholders and policymakers can secure the long-term viability of the U.S. refining sector and protect American energy independence.



SOCIAL MEDIA POSTS AND ARTICLES YOU SHOULDN'T MISS



Neil Chatterjee • Following

Former Chairman, Federal Energy Regul...

3d • 🌐

Ignore the cringe of my face and my voice and my delivery....but the content is super relevant!



Palmetto

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Why does energy policy matter now more than ever? Because the decisions we make today will determine who wins the AI race, how we power our economy, and whether we can sustain long-term clean energy growth.

That's why we're launching Policy and Energy Notes with Neil, a new weekly series with Palmetto's Chief Government Affairs Officer, [Neil Chatterjee](#)—former FERC Chairman and longtime Congressional aide—where he breaks down the biggest energy stories shaping our future.



AI, Energy & Policy Shifts: What's at Stake? | Policy and Energy Notes...



SW "Chip" S. • 2nd

Chief Operating Officer

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Geoscientist/Astrophysicist Dr. Willie Soon: "CO2 is the gas of life. These people want to demonise it as some gas that can cause global warming, can cause hurricanes... more rain, more droughts, and all this other nonsense that they claim. I've published scientific papers refuting all of these arguments."



Texas Alliance of Energy Pro...

14,654 followers

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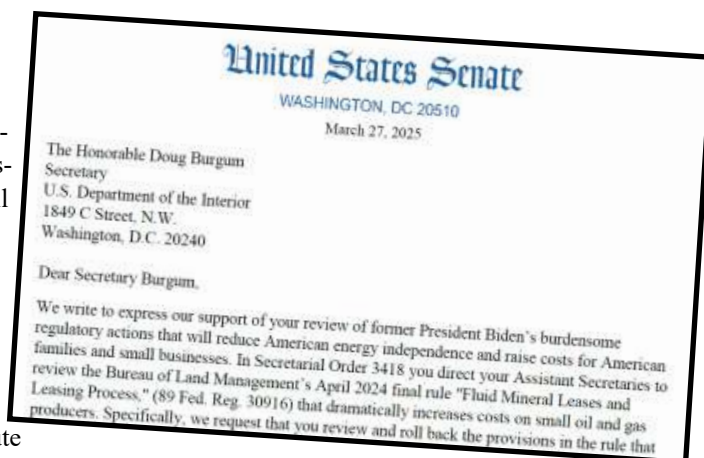
Keep carbon taxes out of Texas! During today's House Ways & Means hearing, Alliance President [Karr Ingham](#) testified in favor of HJR 138, which proposes a constitutional amendment prohibiting the imposition of a carbon tax.

Karr stated that a carbon tax is ill-advised, especially in Texas. It would raise costs on the energy industry and consumers, and be highly regressive, anti-free market, and anti-innovation.

FIGHTING FOR SMALL PRODUCERS: REVERSING BURDENSOME BONDING REQUIREMENTS

On March 27, 2025, ten U.S. Senators sent a letter to Secretary of the Interior Doug Burgum, urging him to roll back the Bureau of Land Management's (BLM) April 2024 final rule, "Fluid Mineral Leases and Leasing Process." This rule drastically increases bonding requirements for oil and gas wells on federal lands—by as much as twenty times the previous amount—posing a serious threat to small and independent energy producers.

DEPA strongly supports this effort to reverse these excessive regulations, which place an unfair financial burden on small producers. Many of our members are independent, family-owned businesses that contribute significantly to American energy security. Under this rule, these small operators, who produce a large share of the country's low-production, marginal wells, could be pushed out of business entirely.



A stripper well is defined as a well making 15 or fewer barrels of oil per day and a natural gas well making 90 MCF or less per day. Nearly 80% of all U.S. oil and gas wells fall into the low-producing or stripper well category. While the intent of bonding is to ensure proper land stewardship and well plugging obligations, the new requirements fail to consider the economic realities of small-scale production. Bonding rates that may be appropriate for high-producing wells are simply unattainable for small operators. Without relief, this rule will force many producers to cap wells prematurely or, in some cases, face bankruptcy—ultimately leading to abandoned wells.

“Small independent producers are an important piece of American energy production, particularly in rural communities,” said **Jerry Simmons, DEPA President/CEO**. “The dramatic increase in bonding requirements effectively locks small operators out of federal lands, reducing energy production, harming local economies, and increasing energy costs for American families. We are committed to fighting these excessive regulations in Washington, D.C., to protect the livelihoods of our members and to ensure America’s energy future remains strong.”

In Congressional testimony submitted for an April 1, 2025, hearing before the House Small Business Committee, titled “*The Gold Age: Unleashing Main Street Through Deregulation*,” **DEPA Treasurer and Chairman of the National Stripper Well Association Patrick Montalban** highlighted the importance of small producers, stating, “There are over 760,000 stripper wells across 32 states, which make up 80% of the wells in America. These stripper wells, operated by small businesses, produce 8-10 percent of the oil and 7-8 percent of the natural gas in the United States. The current daily total oil production in the United States is 13.6 million barrels per day. The small independent operators produce approximately 10% or 1.3 million barrels per day. Many in our industry refer to these wells or reserves as the ‘Strategic Petroleum Reserve’ for the stable energy production they provide the United States. These wells provide consistent daily production all over America. More importantly, these oil and gas wells create good-paying jobs in rural America.”

Montalban further emphasized the devastating impact of the new bonding requirements, stating, “Another egregious regulatory step taken by the Biden Administration was the increased bonding of wells on federal lands. The new rules take bonding on a single well from \$10,000 to \$150,000 and for multiple well bonding from \$25,000 to \$500,000. This drastic increase in bonding has prohibited many operators from acquiring leases/wells on federal lands. We recently acquired two wells on a federal lease, and this regulation would increase our bond from \$25,000 to \$500,000. Small independent oil and gas companies cannot purchase surety bonds and therefore cannot operate or purchase federal wells without posting a cash bond.”

DEPA urges Secretary Burgum and the Department of the Interior to reinstate reasonable state and nationwide bonding requirements that will allow small producers to continue operating while ensuring responsible land management practices. Energy development on federal lands is critical to America’s energy security, economic strength, and local conservation efforts. We stand firm in advocating for policies that support independent producers and the long-term prosperity of our industry.

United States Senate

WASHINGTON, DC 20510

March 27, 2025

The Honorable Doug Burgum
Secretary
U.S. Department of the Interior
1849 C Street, N.W.
Washington, D.C. 20240

Dear Secretary Burgum,

We write to express our support of your review of former President Biden's burdensome regulatory actions that will reduce American energy independence and raise costs for American families and small businesses. In Secretarial Order 3418 you direct your Assistant Secretaries to review the Bureau of Land Management's April 2024 final rule "Fluid Mineral Leases and Leasing Process," (89 Fed. Reg. 30916) that dramatically increases costs on small oil and gas producers. Specifically, we request that you review and roll back the provisions in the rule that

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The final rule increases bonding requirements by twenty-fold for oil and gas producers on federal lands and eliminates nationwide bonding. These changes make it virtually impossible for small energy producers to continue to operate. Small producers often do not have the capital or access to bonds at reasonable rates, effectively pricing them out of the market and driving them off public lands. Nearly 80% of all oil and gas wells in the United States are low-producing, marginal, or stripper wells and small and family-owned oil and gas producers represent a large proportion of operators on federal lands. In many cases, the royalties from these wells have been providing revenue to communities for decades and the local companies continue to provide much needed jobs in rural areas. Bonding rates that may work for a 500bpd producing well may be inappropriate for a 10bpd well. These small businesses are crucial for American energy dominance and the exorbitant increases in bonding requirements will lead many producers to cap wells or worse, lead to the bankruptcy of companies and the abandoning of wells.

While we strongly support proper stewardship of our public lands and the need to ensure that adequate bonding is in place to clean up abandoned wells, we must also ensure that bonding requirements are set at a reasonable and achievable rate for all oil and gas producers. Unfortunately, the current bonding rule will drive producers out of business and raise costs for American families. Energy development on federal lands is critical to strengthening America's energy security, powering our economy, and supporting state and local conservation efforts. We strongly urge you to revisit and reverse the bonding requirements in this rule, including reinstatement of reasonable state and nationwide bonding requirements, to ensure America's long-term energy dominance and the prosperity of our communities.

LETTER FROM SENATORS:



STEVE DAINES
(R-MT)



MICHAEL LEE
(R-UT)



JAMES LANKFORD
(R-OK)



JOHN CURTIS
(R-AZ)



JOHN HOEVEN
(R-ND)

KEVIN CRAMER
(R-ND)



TIM SHEEHY
(R-MT)

CYNTHIA LUMMIS
(R-WY)



MARKWAYNE MULLIN
(R-OK)

LISA MURKOWSKI
(R-AK)



WE ARE THE PEOPLE OF AMERICAN OIL AND NATURAL GAS

DEPA

DOMESTIC ENERGY PRODUCERS ALLIANCE

The welfare of the U.S. and the world begins with energy. With the change in administration, we now have leadership that understands the importance of domestic oil and gas production in achieving energy dominance and strengthening our economy. However, our work is far from over.

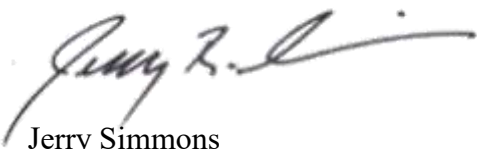
A pro-fossil fuel administration provides us with a unique opportunity to make meaningful strides, but it does not mean we can afford to sit back and relax. We must continue to engage, educate, and advocate to ensure that the foundation of our energy security remains strong for generations to come. Policies and regulations can shift quickly, and it is vital that we stay vigilant and proactive in defending our industry against misinformation and unnecessary regulatory hurdles.

DEPA remains committed to bringing facts and clear thinking to the table where energy challenges are being discussed. Our presence in Washington, D.C., is critical to ensuring that lawmakers understand the real-world impact of their decisions and the essential role our industry plays in the lives of all Americans.

The most powerful way you can make a difference is by becoming a DEPA member or renewing your membership. Your support strengthens our ability to advocate for policies that protect and promote American oil and gas. But membership is just the beginning—you can amplify DEPA's impact by staying engaged, spreading the word to your network, and ensuring that industry voices are heard where it matters most.

Thank you for your dedication to DEPA and for everything you do to support our mission. Together, we can secure a strong, thriving, and energy-dominant future for our nation.

Sincerely,



Jerry Simmons
DEPA President/CEO

WE ARE THE PEOPLE OF AMERICAN OIL AND NATURAL GAS

DEPA

DOMESTIC ENERGY PRODUCERS ALLIANCE

MEMBER INFORMATION:

MEMBER NAME: _____

COMPANY NAME: _____

PHONE: _____

PRIMARY EMAIL: _____

SECONDARY EMAIL: _____

MAILING ADDRESS: _____

CITY: _____

STATE: _____

☐ SEND AN ELECTRONIC INVOICE

*"Let's all check our
desires to be fashionable or
hip when we talk about energy.
Energy is so critical to human
well-being that we must speak
honestly, candidly, and frequently
to combat the increasingly damaging
plague of energy ignorance that has
taken over our country and much
of the western world."*

*- Chris Wright, Liberty Energy CEO
and DEPA Board Member*

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- ☐ \$75,000: LEAD INVESTOR
- ☐ \$50,000: EXECUTIVE INVESTOR
- ☐ \$25,000: PRINCIPAL INVESTOR
- ☐ \$15,000: PARTNER INVESTOR
- ☐ \$10,000: ASSOCIATE INVESTOR
- ☐ \$5,000: AFFILIATE INVESTOR
- ☐ \$2,500: COLLEAGUE
- ☐ \$1,000: ADVOCATE
- ☐ \$500: FRIEND OF THE INDUSTRY
- ☐ \$100: DEPA SUPPORTER

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Tulsa, OK 74135

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DEPA PAC

DOMESTIC ENERGY PRODUCERS' ALLIANCE POLITICAL ACTION COMMITTEE

DEPA PAC Co-CHAIRMEN | DAVID LE NORMAN AND DAN BOREN

The DEPA PAC works to ensure there is a loud, clear voice for the industry. Reliable, clean, efficient, affordable, energy is vital to our country, and the world. We are unapologetic about being the driver of economic growth and security across the globe.

We believe the only way to accomplish our sharply focused agenda is to establish common ground. We consistently seek common sense solutions to the challenges that face us in business, including our relations with the legislative and executive branches of the Federal government.

Please support American Energy Independence with your DEPA PAC Donation.

**AMERICAN ENERGY POLICY IS NOT
A REPUBLICAN ISSUE OR A DEMOCRAT ISSUE.
IT IS AN AMERICAN PROSPERITY AND A LEADERSHIP ISSUE.**





DOMESTIC ENERGY PRODUCERS' ALLIANCE POLITICAL ACTION COMMITTEE

REQUIRED DONOR INFORMATION

Donor Name: _____

Contact Person: _____

Address: _____

City: _____

State: _____ Zip: _____

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Occupation: _____

Employer: _____

Amount of contribution: \$ _____

All contributions to the Domestic Energy Producers' Alliance PAC (DEPA PAC) are voluntary. You may refuse to contribute with reprisal. Contribution to the DEPA PAC are used for federal election purposes, and maybe used in connection with state elections.

Any contribution levels listed are merely suggestions. You are free to contribute more, or less, than the guideline suggest or nothing at all, and you will not benefit or be disadvantaged by the amount of the contribution or a decision not to contribute.

Federal Law Requires us to use our best efforts to collect and report name, mailing address, occupation and name of employer for each individual whose contribution aggregate in excess of \$200 in a calendar year.

DONATION ENCLOSED

- ☐ \$10,000 CHAIRMAN'S COUNCIL
(JOINT CONTRIBUTION)
- ☐ \$5,000 DIRECTOR LEVEL
- ☐ \$2,500 ADVISOR
- ☐ \$1,000 FRIEND OF ENERGY
- ☐ \$500 SPONSOR
- ☐ \$ _____ OTHER

**Please make checks payable to:
DEPA PAC**

☐ **Please send an electronic invoice.**

**RETURN TO DEPA PAC:
PO Box 33190, TULSA OK 74153
INFO@DEPAUSA.ORG
405-669-6646**

PAC contribution are not deductible for federal tax purposes. The maximum an individual may contribute to a PAC is \$5,000 per year. Couples maybe contribute \$10,000 from a joint account, but such contributions require both signatures. Contributions from corporations, labor unions, federal government contractors, national banks, and foreign nationals without permanent residency status and from any individual contribution another's funds are prohibited.

**Paid for by the
Domestic Energy Producers' Alliance PAC**



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