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OP-EDS

Trump's new oil rule is a $750 billion taxpayer scam

By **David Jenkins**
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The Trump administration recently published a proposed rule that rolls back commonsense oil and gas bonding reforms designed to protect taxpayers from bearing the enormous cost of orphaned well cleanup.

Without adequate bonding, industry bad actors who abandon wells after extracting the oil and gas, along with all the profit, get away with breaking a key condition of their permit and pawning off the plugging and clean-up expenses onto you, me and every other American taxpayer.

By rolling back these bonding requirements, the Trump administration is siding with the worst players in the oil and gas industry — cheats and scammers — over hard-working taxpayers.

As if facilitating a scam on taxpayers wasn't bad enough, the proposed rule also tramples on private property rights.

Tucked inside it is language that eliminates the requirement that split-estate private property owners be notified of oil and gas lease sales on their land.

Not only will the rule deny property owners an opportunity to voice concerns and negotiate on surface impacts, but property owners will not even have a right to know that the land beneath their surface property has been leased.

The administration justifies its assault on property rights by claiming that notification of property owners "imposes undue burdens on the oil and gas industry."

This government attack on taxpayers, fiscal responsibility, and private property represents swamp politics at its worst and is the furthest thing imaginable from actual conservatism.

In 2024, bonding levels for public land oil and gas leases were increased — for the first time in more than 60 years — to better cover today's plugging and clean-up costs. Those reforms were in response to a well-documented scam that has resulted in more than 130,000 orphaned wells.

Bonds function like a security deposit, ensuring that companies set aside adequate funds to cover reclamation costs, thus preventing bad actors in the industry from offloading these costs onto taxpayers.

These long-overdue reforms, which are supported by the vast majority of Western voters, finally ensured that the oil and gas companies that drilled the wells, profited from them, and promised to plug and restore the well site, actually live up to that commitment. They were also carefully crafted to avoid having disproportionate impacts on small operators in the industry.

The possible costs to taxpayers of rolling back these reforms are staggering.

A 2025 analysis from Conservatives for Responsible Stewardship reveals the scale of the threat facing taxpayers if the administration's proposed rule goes into effect.

Combined with the One Big Beautiful Bill Act mandating oil and gas lease sales on more than 200 million acres of our public lands, industry bad actors could potentially drill as many as 3.8 million wells in the years to come and then pass a staggering $753.5 billion in clean-up costs onto the shoulders of taxpayers.

Just let that number sink in. Three-quarters of a trillion dollars. That is the bill that we, average Americans, along with our children and grandchildren, could be stuck with so that a handful of scammers — no doubt laughing all the way to the bank — can skip out on their obligation.

And that doesn't even account for the environmental impacts, such as contaminated water and air pollution that would result from leaking of these unplugged and abandoned wells.

One doesn't have to take my word for it. In a recent survey from the Federal Reserve Bank of Dallas, an industry executive acknowledged that the number of orphaned wells across the nation will only increase over time unless companies with “a business plan of ‘bad bank’” start taking their responsibility seriously.

True conservatism is about stewardship, responsibility, and fiscal sanity. How can any real conservative think that saddling the taxpayer with almost a trillion dollars in clean-up costs, further adding to the national debt, will be anything but a fiscal nightmare?

Of course, a different kind of nightmare is looming if you’re a split-estate property owner. You could wake up one morning to an oil company setting up a drilling rig next to your house, turning your life upside down with zero advance warning or opportunity to fight for the future of your own property.

Every person, regardless of their political stripes, should be appalled by this move by the administration. The proposed rule is wrong on so many levels, it’s nothing more than a huge, greed-driven, corporate giveaway that fleeces taxpayers and tramples private property rights. The Department of Interior is accepting public comments on the proposed rule through Monday, Aug. 24.

David Jenkins is president of Conservatives for Responsible Stewardship.