

GAO Highlights

Highlights of [GAO-25-106307](#), a report to the Ranking Member, Committee on Natural Resources, House of Representatives

Why GAO Did This Study

About 15,000 active oil and gas wells on trust or restricted land contribute to the economies of some Tribes. Interior's BIA assists tribal governments and citizens in managing, protecting, and developing their land and natural resources. Interior requires lessees to provide bonds to help ensure they meet the responsibilities of their leases—including plugging wells and reclaiming the land.

Lessees may not be able or willing to reclaim the well site at the end of a lease, despite the consequence of losing the bond. When well sites are not fully reclaimed, Tribes may face environmental impacts on their lands or health and safety risks to their people.

GAO was asked to review the status of oil and gas bonding for trust or restricted land. This report examines (1) BIA's information about bonds and bond claims, (2) BIA's guidance and processes for managing bonding, (3) the sufficiency of bond minimums, and (4) funding mechanisms to plug and reclaim wells when bonds are inadequate. GAO reviewed laws and regulations, analyzed agency policies and guidance related to bonds, conducted site visits, and interviewed tribal and Interior officials.

What GAO Recommends

GAO is making six recommendations including that BIA compile and maintain information on bonds and bond claims, improve bonding policies and procedures, and—in consultation with Tribes—assess bond minimums and make changes to guidance or regulations to ensure lessees conduct plugging and reclamation. Interior agreed with all six recommendations.

View [GAO-25-106307](#). For more information, contact Frank Rusco at (202) 512-3841 or ruscof@gao.gov.

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OIL AND GAS

Bureau of Indian Affairs Could Improve Lease Management of Trust and Restricted Land

What GAO Found

GAO could not fully assess the Bureau of Indian Affairs' (BIA) implementation of bonding for oil and gas leases because BIA does not collect and maintain comprehensive information on bonds. For example, BIA generally does not have bond amounts or information on bond claims readily available without examining files. Without a process to compile or maintain bond information, BIA does not know if bonds are sufficient to fulfill their purpose or how often bond claims occur.

Agency guidance is not sufficient to ensure BIA can effectively manage bonding. Guidance to BIA staff is not detailed enough to direct key actions at certain points in the life cycle of a lease, including when setting initial bond amounts. As a result, BIA offices generally do the minimum to adhere to agency regulations and guidance—for example, setting bonds at the regulatory minimum.

BIA's bond minimums are insufficient to cover the costs of plugging and reclaiming a typical well (restoring lands to as close to the original natural state as possible), according to many tribal, BIA and BLM officials GAO interviewed. These minimums are also significantly lower than Interior now requires for leases on federal lands. BIA still allows nationwide bonds—covering all a lessee's leases across the country—which Department of Interior no longer accepts for federal lands. However, Tribes in GAO's review had disparate views on increasing minimum bond amounts. Several Tribes expressed concern that increased bond amounts would discourage companies from leasing on their land.

Bureau of Indian Affairs (BIA) and Bureau of Land Management (BLM) Bond Minimums for Certain Oil and Gas Leases on Trust or Restricted Land and Federal Lands

Bond type	Standard leases on trust or restricted land	Leases on federal lands
Individual bond (covering one lease)	No minimum	\$150,000
Statewide or collective bond (covering all leases in one state or reservation)	\$75,000	\$500,000
Nationwide bond (covering all leases nationwide)	\$150,000	No longer allowed

Source: GAO analysis of BIA and BLM documentation. | [GAO-25-106307](#)

Note: For more details, see fig. 2 in [GAO-25-106307](#).

When a bond is not adequate to cover the costs, abandoned wells may remain unplugged. The number of abandoned wells is unknown. BIA is working on compiling an abandoned well inventory. Some states use funding mechanisms in addition to bonds to plug and reclaim wells on state or private land, such as collecting fees from industry. However, Interior does not collect fees from lessees of trust or restricted land. Consequently, if bonds are not adequate to cover the costs of abandoned wells, Tribes or the federal government will be left to fund plugging and reclamation or wells will remain unaddressed.