

**Via Email Only to:**

Honorable Utah Board of Oil, Gas and Mining  
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Re: Public Land Solutions Commentary on Proposed Updates to Performance Bonding Rules

April 28, 2026

Madam Chair and Director Thomas:

**Public Land Solutions Commentary on: Proposed Updates to Utah Performance Bonding Rules**

Public Land Solutions is a non-profit recreation economy consultant that works with communities seeking to add or improve the role of outdoor recreation in their economic development strategies. Demand for outdoor access has become a mainstream economic driver and public land communities of all types are utilizing access to quality natural landscapes to attract both tourism and general business investments. Businesses of all sizes seek to locate where quality of life will aid in employee recruitment and ensure employee retention, especially for local youth.

**Utah's Economic Drivers**

Many communities who have long depended on resource extraction of all types have begun to plan for future revenue generating opportunities to supplement job creation and tax revenue as energy markets evolve.

The future economies of these communities will depend on the decisions made by this board, and as inspiration I urge you to take a quick moment to review [this news story](#) about high school mountain biking and the revenues it is bringing to Utah communities—and I can tell you that the next story they do on this issue will also include examples of businesses who have chosen to invest in communities who have trails and open space, based on the quality of life that outdoor access brings.

However this rosy picture of Utah's future would be marred without the work this board is doing to ensure that the cost of oil and gas clean up will not be transferred to local tax payers. For all areas of Utah that have depended on oil and gas to date, the key to their future prosperity will depend on how well we plan for, and provide funds for, future clean up efforts.

## Avoiding Orphan Wells and Paying for Restoration

The board and staff are to be commended for the excellent work that has brought us to this point. The modernized rules will support Utah communities through risk based reforms that calibrate bonding needs and are poised to avoid passing on oil and gas cleanup to local taxpayers—an innovative approach that other states would be wise to adopt.

A very short list of concerns remains regarding the Division's updated Performance Bonds Rule, all of which are related to the definitions to be utilized in calculating an operator's At-Risk Well Ratio.

1. Temporarily Abandoned or Shut in Wells – The proposed regulations would count approved Temporarily Abandoned or Shut In Wells in an At Risk Well calculation. This is a smart approach as these wells will still need to be plugged in the future.
2. Bonding Calculations - When making the bonding calculations, there appears to be a math concern. Under the proposed guidance, the At-Risk Well Ratio is calculated as a percentage of At-Risk Wells of their Total Well Count. However, when counting At-Risk Wells, operators only include wells on state and private lands, whereas when counting Total Wells, they include wells on state, private, federal, and tribal lands. This incongruence appears to inaccurately capture operator risk and could expose the state to increased financial risk.
3. Blanket Bonds - Additionally, the carve-outs allowing operators to put at-risk wells on blanket bonds, and the practice of rounding down to the nearest ten of any at-risk wells remaining, seems to eliminate supplemental bonds for at-risk wells entirely.

The concern is that without these corrections the funds available will remain chronically behind the actual need, and this otherwise very effective effort would fall short, leaving our oil fields unattended and quite possibly unusable for future generations.

Most sincerely,



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