



OIL & GAS FINANCIAL ASSURANCE COSTS BY STATE

RANKED BY TOTAL OPERATOR EXPOSURE (STATE + FEDERAL LAYERS)

Incorporates New Mexico OCD WELC – \$150,000 per well (effective May 2029) and New Mexico State Land Office – \$40 million maximum lease bonding



Rank (by total exposure)	State / Jurisdiction	2024 Crude Oil Production (million bbls)	State Well Bonds (Individual / Blanket) (max amounts, where applicable)	State Land Lease Bonds (Blanket / Bulk) (max amounts, where applicable)	Federal BLM Bond (Where Applicable) (separate layer)	Illustrative Total Operator Exposure (state + federal layers)	Key Notes
1	 New Mexico ¹	~745	OCD: \$150,000 per well ² (applies to all wells if ≥20% are Low Producing Wells) Example (100 wells): \$15,000,000	SLO: \$40,000,000 (maximum ordinary bulk cap; excludes heightened-risk leases) ³	\$500,000 (statewide, BLM)	\$55,500,000 (illustrative for 100 wells with ≥20% Low Producing Wells + SLO \$40M cap + BLM)	New Mexico Now Requires DOUBLE BONDING into the tens of millions of dollars on State Lands. Highest total exposure in the nation. If an operator has ≥20% Low Producing Wells (as defined in WELC), the \$150,000 per-well bond applies to all wells \$40 million (excludes heightened-risk leases).
2	 Alaska	~154	\$400,000 (1–5 wells) scales to \$30,000,000 (1,000+ wells)	—	Not applicable (usually)	\$30,000,000 (standard tier)	These are the default levels – the AOGCC can increase or decrease them based on engineering, geotechnical, environmental, or location conditions.
3	 California	~113	\$40,000 / well (<10,000 ft)	—	Not applicable (usually)	\$3,000,000 (standard tier)	Land blanket tiers: \$200K (≤50), \$400K (50–500), \$2M (500–10K), \$3M (10K+ wells). Offshore \$1M.
4	 Louisiana	~30	\$5/ft (3,001–10,000 ft) Offshore: \$12/ft	—	Not applicable (usually)	\$3,000,000 (standard tier)	Land blanket: \$50K (≤10), \$250K (11–99), \$500K (100+). Offshore tops at \$5M.
5	 Colorado	~173	\$20,000 / well (>3,000 ft)	\$100,000 (4+ wells, State Land Board)	\$500,000 (statewide, BLM)	~\$600,000 – \$1,100,000 (typical range)	ECMC well bonds and State Land Board bonds are separate. Federal BLM applies on federal lands.
6	 Texas	~2,080	\$2/ft (land wells) Bay wells: \$60K; Offshore: \$100K	—	\$500,000 (statewide, BLM)	\$750,000 (standard tier)	Blanket tiers: \$25K (≤10), \$50K (11–99), \$250K (100+). Option 3/4 allows fee-in- lieu of bond.
7	 Oklahoma	~146	\$25,000 – \$150,000 (tiered by well count)	—	Not applicable (usually)	\$150,000 (standard tier)	Tiered: \$25K (0–10), \$50K (11–50), \$100K (51–100), \$150K (101+).
8	 Wyoming	~107	\$10/ft of depth (~\$100K for 10,000 ft)	—	\$500,000 (statewide, BLM)	\$600,000 (standard tier)	Depth-based single well bond; blanket covers all wells. Split-estate adds \$10K/site.
9	 North Dakota	~439	\$50,000 / well	—	Not applicable (usually)	\$100,000 (standard tier)	Commercial injection wells: \$100K/well; blanket limited to ≤6 non-compliant wells.
10	 Utah	~65	Varies by depth/type	—	\$500,000 (statewide, BLM)	~\$500,000 – \$700,000 (typical range)	UDOGM requirements; less publicly tiered than other major states.

1

New Mexico's Oil & Gas Industry has filed suit against both the Oil Conservation Division's State Well Bond Rule & State Land Office's Lease Bond Rule.

2

IPANM filed a lawsuit in NM Court of Appeals on Oct. 13, 2026 challenging OCD's administrative rule issued WITHOUT statutory authority.

3

NMOGA & IPANM filed a lawsuit in Lea County on Oct. 13, 2026 against SLO for exceeding statutory authority, expanding SLO's authority into OCD's jurisdiction, creating arbitrary & excessive requirements, violating due process, unconstitutional retaliation against industry, violation of public records requests, intentional delays in disclosing final rule, and filing a premature declaratory judgement action against industry before final rule was provided to industry.