

Colleen Jarrott Discusses Proposed Revisions to Oil and Gas Leasing Rules

In The News | 1 min read

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Hinshaw partner Colleen Jarrott was quoted in a recent *Mergers & Acquisitions* article on the subject of revisions to the Bureau of Land Management's oil and gas leasing regulations proposed in July by the U.S. Department of Interior. The new rule would help steer oil and gas development away from important wildlife habitats or cultural sites and instead toward lands with existing infrastructure or high production potential. The minimum royalty rate would be made permanent at 16.67 percent.

"Everyone is going to have to work a little harder on dealmaking" as a result of the proposed rule changes, said Jarrott. The cost and profitability calculations for transactions that would close after the new rules are in effect will have to be recalculated, "and some folks may shy away," she added.

Investors and operators will also have to review the numbers for existing leases, especially those slightly outside the core production areas or fairways. "Leases with the old rates may become more attractive," Jarrott said, "as long as subleases or assignments are allowed."

[Read the full article](#)

"New Rules for Oil & Gas Leases to Shift M&A, But Not Diminish Dealflow" was published by *Mergers & Acquisitions* on August 31, 2023.

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