Wyoming Outdoor Council

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FOR IMMEDIATE RELEASE

Wyoming Outdoor Council statement on federal oil and gas leasing pause

Lander, Wyo. — On January 20, the U.S. Department of the Interior issued an order that paused many agency actions for 60 days — including oil and gas lease sales. Today, an executive order announced by President Joe Biden will continue this pause on new leasing while the Interior conducts a "rigorous review of all existing leasing and permitting practices related to fossil fuel development on public lands and waters."

Public lands are the backbone of Wyoming's economy and way of life. They support all of our core industries — energy, tourism, and agriculture — and Wyoming people want a balance on their public lands that allows these special places to sustain wildlife, recreation, open space, and cultural values while also generating a financial return for taxpayers.

For years now, that balance has not been upheld. The federal government has offered up millions of acres of public lands in Wyoming for leasing — indiscriminately offering lands with low development potential in sensitive wildlife habitat, pristine backcountry areas, and cultural and historic sites, while ignoring public input. But oil and gas activity is down and our state's budget, largely reliant on mineral taxes and royalties, is threadbare. It's plain to see that unbridled leasing was not the ticket out of Wyoming's boom-bust economy.

The Bureau of Land Management oversees 18 million acres of public lands in Wyoming. Of this, 11 million acres are already leased for development. Recent administrative decisions have blatantly disregarded the value these lands hold for wildlife, hunting and fishing, outdoor recreation, and other uses. Change is needed to make sure future leasing and development is done right: This is the time for the BLM to refocus on its congressionally mandated duty to manage public lands for *all* the uses they sustain, and for Congress to consider meaningful reforms to our century-old system of leasing.

Allowing anonymous speculators to nominate millions of acres for development under a leasing framework from 1920 is not compatible with the other values public lands support, which benefit our communities, state revenue, and quality of life. Noncompetitive leases and $2/acre minimum bids are another relic of the past: American taxpayers deserve fair compensation when our public lands are leased to private companies.

Many values of our public lands— hunting, fishing, camping, hiking, wildlife, quiet solitude, unspoiled views, cultural and historic sites, and more — have been left on the back burner while a single use is prioritized. It's time to reimagine revenue from public lands, and for Wyoming to heed this latest wake-up call that we need to take control of our economic future.

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ABOUT WOC:
Founded in 1967, the Wyoming Outdoor Council is the state's oldest and largest independent conservation organization. Its mission is to protect Wyoming's environment and quality of life for present and future generations.

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FACT SHEET

The executive order pauses the leasing program for a much-needed review. The onshore oil and gas program has been on the U.S. Government Accountability Office's "High Risk List" for potential waste and fraud for a decade. It has been nearly four decades since the program was last reviewed.

As of 2016, about 90 percent of lands managed by BLM in the West – close to 200 million acres – were open to oil and gas leasing.

Between 2009 and 2018, the oil and gas industry nominated nearly 106 million acres of public lands for leasing, but purchased just 20 percent of the 47.5 million acres that were eventually offered for lease. This drove a dramatic surge in noncompetitive leasing.

Noncompetitive leasing causes government waste. Between 2003 and 2019, over 34 million acres of public lands were leased over-the-counter noncompetitively – but taxpayers are getting little to nothing in return. According to a recent study from the GAO, 99 percent of noncompetitive oil and gas leases issued between 2003 and 2009 never entered production in their primary 10-year term.

Companies routinely fail to pay rent on their leases. Over a recent ten-year period, the BLM terminated well over half of all noncompetitive leases issued (over 1.6 million acres) and roughly 30 percent of all competitive leases.

Oil and gas companies have amassed enough leases and permits to continue development for years. Industry has stockpiled more than 13 million acres of undeveloped leases across the U.S. Between FY09 and FY18, 63 percent of acres leased by industry were idle each year and not producing any oil or gas. A recent GAO study found that industry was not utilizing nearly 10,000 approved drilling permits, an increase of at least 32% from just five years ago.

About 1,400 permit applications were approved in the last three months alone, mostly in Wyoming and New Mexico.

The vast majority of state revenue from public lands drilling comes from royalties on production, which the executive order will not impact. In any given year, royalties from existing production provide approximately 90% of the revenue shared with the state from federal public lands oil and gas development.