

## **The Oil Industry Leaves Nearly Half Of Public Lands Available For Lease In June Sales On The Table, After Spending Months Calling For More Leasing And Nominating Hundreds Of Thousands Of Public Lands Acres For Lease**

**SUMMARY:** The results of the Bureau of Land Management's (BLM) first public lands oil and gas lease sales of the Biden administration show that the oil industry knows that it already has more than enough public lands under lease. For months, the industry has falsely claimed that more leasing is needed in order to bring down gas prices, and companies nominated a whopping more than 700,000 acres of public lands for lease this past June. After implementing important changes to the June lease sales, BLM pared the sales down to a total of approximately 144,000 acres that were offered for lease on public lands in seven states across the West. Yet on the day of the federal oil and gas lease sales, industry chose to leave nearly half of the public lands acreage that was made available for oil and gas leasing on the table.

In Colorado, industry purchased fewer than 300 of the nearly 2,500 acres that were offered for lease by the BLM. Ahead of the sale, industry had nominated more than 140,000 acres for oil and gas leasing in Colorado. In Montana, where industry had originally nominated more than 6,000 acres for lease, companies purchased only a third of the acres offered in the sale.

These failings are the product of a broken federal oil and gas leasing system that puts industry in the driver's seat of public lands management. Currently, 90 percent of western public lands are open to oil and gas leasing. Under the current system, the oil industry is able to flood the BLM with thousands of lease nominations - which can be made for no cost and anonymously. When those lands are offered for lease, the industry can then take what it wants and leave the rest, making unsold leases available to be purchased noncompetitively for just \$1.50 per acre.

## **In BLM's First Lease Sale Of The Biden Administration, The Oil Industry Only Bought 45 Percent Of Acres Offered Throughout The West**

### **Despite Months-Long Calls For More Leasing And False Claims About The Temporary Pause On New Leases, Industry Still Left Nearly Half Of The Offered Acreage On The Table**

*The Oil Industry Has Spent Much Of The Biden Administration Complaining About A Temporary Pause On New Public Lands Oil Leasing—A Move That Was Overturned In The Courts*

**The Oil Industry Erroneously Called A Temporary Pause On New Leasing A “Ban” And An Effort To “Eliminate” The Industry.** “The oil lobby group is also skeptical of proposals by Biden and Democrats to help affected fossil fuel workers transition to jobs in cleaner energy or to compensate state and counties for the hit on revenues from a leasing ban. “The idea that you are going to seek to undermine or eliminate an industry and then provide them with government jobs in a New Deal-type of fashion is pretty insulting to U.S. oil and gas workers.” [Washington Examiner, [01/13/21](#)]

**The Biden Administration’s First Oil And Gas Lease Sale Came As A Result Of A Lawsuit Over The Temporary Leasing Pause.** “The Biden administration’s suspension of new oil and gas leases on federal land and water was blocked Tuesday by a federal judge in Louisiana who ordered that plans continue for lease sales that were delayed for the Gulf of Mexico and Alaska waters ‘and all eligible onshore properties.’” [Associated Press, [06/16/21](#)]

*But When the Industry’s Wish for New Lease Sales Was Fulfilled, Oil Companies Passed On 30 Percent Of The Offered Leases That They Themselves Had Nominated*

**BLM’s July Lease Sale Resulted In 71,251 Acres Being Leased To The Oil Industry, Just 45 Percent Of Acres Offered.** “The U.S. Bureau of Land Management (BLM) has announced oil and gas lease sale results for Wyoming, Colorado, Montana/Dakotas, New Mexico, and Nevada.” [Rigzone, [07/05/22](#)]

*Industry Greatly Exaggerated The Amount Of Lands It Needs To Lease; After Nominating Over 700,000 Acres, Industry Purchased Just Over Half Of What BLM Put Up For Sale*

**Industry Initially Nominated About 733,000 Acres For The Lease Sale, Which BLM Pared Down To A Sale Of Around 144,000 Acres.** “The US Department of Interior (Interior) announced the details of its first oil and gas lease auction under the Biden administration on 18 April—making almost nobody happy in the process. [...] As announced by Interior's Bureau of Land Management (BLM), the auction will cover only 20% of the acreage nominated by drillers—144,000 acres instead of a nominated 733,000 acres.” [S&P Global, [04/22/22](#)]

- **BLM Sold 81 of 122 Parcels Offered In Wyoming, Netting \$13 Million.** “Following an injunction from the Western District of Louisiana, today the Bureau of Land Management Wyoming State Office conducted a lease sale offering 122 parcels totaling 119,493 acres. 81 parcels were sold for a total of \$13,021,696.” [BLM.gov, [06/30/22](#)]
- **BLM Offered Up Nearly 2,500 Acres In Colorado, But Only Sold 291 Acres.** Of the 2,444 acres that were offered in the BLM Colorado oil & gas lease sale, industry opted to purchase less than 291 acres. [Energynet.com, Accessed [07/01/22](#)]
- **Only 1/3<sup>rd</sup> Of Lands Offered For Sale In Montana Were Purchased By Industry.** “Following an injunction from the Western District of Louisiana, today the Bureau of

Land Management Montana/Dakotas State Office conducted a lease sale offering 23 parcels totaling 3,405.8 acres in Montana and North Dakota. Nineteen parcels were sold for a total of \$7,354,562.00. Whiting Oil and Gas Corporation of Denver, Colorado, was the highest bidder, with a total bonus bid of \$2,346,485,50 for a 68.53-acre parcel in Mountrail County, North Dakota." [BLM.gov, [06/30/22](#)]

- **Half Of Acres Offered In Nevada Were Sold.** Of the 2,560 acres that were offered in today's BLM Nevada federal oil and gas lease sale, industry opted to purchase only half of the public lands acreage that was made available for leasing. [Energynet.com, Accessed [07/01/22](#)]

### **Under The Current System, Industry Is In The Driver's Seat. The Industry Can Nominate Lands For Oil And Gas Leasing Anonymously And Free, Wasting Resources And Leaving The Public Behind**

*The Current Leasing System Is Deferential To Industry—Oil Companies Can Anonymously Nominate Lands For Free, On The 90 Percent Of Western Public Lands That Are Open To Oil And Gas Leasing*

**Of All BLM-Managed Land, 90 Percent Is Open To Oil And Gas Leasing.** "According to data analyzed by The Wilderness Society, a whopping 90 percent of our public lands are available to oil and gas drillers while only 10 percent are available for a focus on conservation and other values including recreation and wilderness. Public lands are managed for the benefit of all Americans, yet the BLM is grossly favoring business over the rest of us. By placing such a large emphasis on leasing, the Bureau of Land Management (BLM) is letting the oil and gas industry determine the fate of many lands that are better suited for recreation and conservation." [Wilderness Society, accessed [07/19/22](#)]

**Land For Lease Sale Is Identified Through Nominations From The Industry, Which Are Often Anonymous.** "An expression of interest (EOI) is an informal nomination to request certain lands be included in a competitive oil and gas lease sale. Please submit your EOI via the National Fluid Minerals Lease Sale System. There are other forms of nominations besides EOIs (such as presale offers or Bureau-nominated parcels) but EOIs are used most frequently." [BLM, accessed [07/18/22](#)]

- **DOI's Own Analysis Identified Anonymous Nominations As A Cause Of Leaving Community Voices Out Of The Leasing Process.** "Practices such as allowing anonymous lease nominations and recent efforts to restrict or eliminate public notice and comment periods can leave local community voices – including, in particular, Tribal voices – out of leasing and permitting processes. The DOI should undertake meaningful Tribal consultations and solicit public input more generally regarding its leasing and permitting processes." [Interior Report on Leasing, [11/01/21](#)]

*It Costs Nothing To Nominate Land For Oil And Gas Leasing, Which Leads To More Acreage Being Put On The Auction Block That's Available For Speculation*

**The Government Accountability Office Found That Free Nominations Lead To Wasting Resources To Process Nominations That Don't Result In Sales.** "Until BLM revises its approach to examine all relevant costs and adjusts fees accordingly, the agency may collect too much or too little in fees. In addition, BLM does not charge a fee to nominate lands for leasing and has not re-examined whether to charge such a fee since 2014. Without doing so, BLM risks continuing to expend resources to process nominations that do not result in leases. In addition, the agency may not strike the appropriate balance between encouraging nominations and controlling costs." [GAO, [11/01/21](#)]

*Of The 49 Parcels That Didn't Sell In The June 2022 Lease Sales, Half Were Nominated For Lease Anonymously, Underscoring The Need To Reform The Outdated Federal Leasing Program That Promotes Industry Speculation*

**Of The 49 Parcels That Didn't Sell, 24 Were Nominated Anonymously.** Industry anonymously nominated parcels for BLM's lease sales in Wyoming (18 unsold leases with anonymous nominators), Nevada (1 unsold lease with an anonymous nominator), Colorado (2), and Montana (3). [BLM's National Fluids Lease Sale System EOI Report, accessed [07/18/22](#)]

- **Allowing Nominations To Be Free And Anonymous Can Lead To Speculators Nominating Huge Acreage Where There Is Little Real Industry Interest.** "The House bill would also alter the process for nominating land for oil leasing. There is no fee to nominate federal land, and the BLM accepts anonymous applications. These low barriers to entry, critics argue, have led to speculators nominating huge areas of land where there is little industry interest and low oil and gas potential. The nomination process was at the heart of the dispute over the controversial request to open oil and gas leasing in the Ruby Mountains." [The Nevada Independent, [07/30/19](#)]

**Unsold Leases Are Made Available To Be Purchased Noncompetitively At Any Time For The Next 2 Years, For Just \$1.50 Per Acre.** "The Federal Onshore Oil and Gas Leasing Reform Act of 1987 requires that public lands available for oil and gas leasing first be offered under a competitive bidding process. BLM offers leases with 10- year primary terms competitively through auction or, if the tract of land does not receive an adequate bid, noncompetitively for a fee. The minimum bid is \$2 per acre, and bids at or above the minimum are called bonus bids." [Government Accountability Office, [11/01/20](#)]