

Oil And Gas Companies Lock Up Millions Of Acres Of Montana For Drilling (And Polluting) While Racking Up Extra Profits Thanks To An Outdated Federal Leasing Program.

SUMMARY: Oil and gas corporations operating on federal public lands benefit from a "[sweetheart deal](#)" thanks to the outdated federal leasing program that favors big oil over taxpayers. In Montana, the state with the sixth most public lands leasing, oil giants and major polluters like Scout Energy, ExxonMobil, and EOG Resources lock up hundreds of thousands of acres of public land for oil and gas development while depriving taxpayers of fair compensation for often harmful use of their public lands.

If the royalty rate were more in line with what states pay, Montana may have seen **as much as \$12 Million in additional revenue in 2019 alone.**

Montana has 2,327 oil and gas leases totaling 1.6 million acres of federal land. The 15 biggest land leaseholding corporations in the United States hold 337,548 acres of public land in Montana - 21% of the state's federal acres - across 816 leases, where they benefit from outdated federal leasing terms. Top lessees in the state include:

- **Scout Energy**, a private oil and gas company that is one of the oil and gas industry's top methane emitters despite its small size;

- **ExxonMobil**, the country's largest fossil fuel producer that is responsible for one of the nation's worst environmental disasters and has attempted to avoid at least \$212M in royalties; and

- **EOG Resources**, a former Enron company that has faced millions in lawsuits over failing to pay royalties while racking up billions in revenue.

15 Major Oil And Gas Companies Hoard Hundreds Of Thousands Of Acres Of Public Land In Montana Where Their Profits Are Boosted By Outdating Leasing Laws.

Montana Has The Sixth Most Federal Oil And Gas Leases In The Country...

In Montana, 1,608,882 Acres Of Federal Managed Land Is Leased To Oil And Gas Companies As Of October 1, 2020. [BLM, Oil And Gas Statistics, National Totals By State, [10/01/20](#)]

There Are 2,327 Leases Of Federal Managed In Montana As Of October 1, 2020. [BLM, Oil And Gas Statistics, National Totals By State, [10/01/20](#)]

Montana Has The Sixth Most Federal Oil And Gas Leases In The Country. [BLM, Oil And Gas Statistics, National Totals By State, [10/01/20](#)]

...With 15 Of The Biggest Leaseholders Nationwide Locking Away Nearly 337,548 Acres Of Public Land In Montana For Oil And Gas Development.

15 Of The Top Federal Leaseholders In The Country Are Active In Montana, Holding 337,548 Acres Of Land For Oil And Gas Development.

Montana		
Company	Number Of Leases	Acreage
Scout Energy Group	310	143,425
ExxonMobil	217	68,111
EOG Resources	72	27,975
Magnum Producing LP	45	18,324
ConocoPhillips	42	27,084
Continental Resources	32	12,459
Devon Energy/ WPX	29	3,591
Chevron	21	9,482
R&R Royalty LTD	17	7,757
Liberty Petro Corp	10	7,319
Kirkwood Oil & Gas	8	4,242
Ovintiv	5	1,088
Occidental Petroleum	4	4,391
Citation O&G	3	1,940
Stephen Smith Inc	1	360
Total	816	337,548

Source: Bureau of Land Management

The 100-Year-Old Royalty Rate Has Long Made Federal Oil And Gas Leasing A "Sweetheart Deal" To Big Oil And The Expense Of Taxpayers.

When Oil Corporations Drill On Public Lands, They Compensate The Mineral Owners (The Public) With Royalty Payments, An Important Revenue For State And Local Governments.

There Are Three Main Sources Of Revenue From Federal Lands Oil Production That Go To State Governments; Royalties, Rents, And Bonuses. "Companies pay a wide range of fees, rates, and taxes to extract natural resources in the U.S. The amounts differ depending on the ownership of the resources. We'll cover some of the major types of payments companies make here. They are usually called "revenue" because they represent revenue to the American public. When companies extract natural resources on federal onshore lands and the Outer Continental Shelf, they pay revenue to the Department of the Interior (DOI). In general, companies pay bonuses, rents, royalties, or fees and penalties (if incurred) to ONRR, and in some cases bonuses and rents to the Bureau of Land Management." [Interior Office Of Natural Resource Resources, accessed [02/25/21](#)]

- **Energy Royalties Are "An Integral Component Of Many Western States' Budgets."** "While a small portion of federal government revenue, energy royalties are important to resource-rich states in the mountain west that receive about half of what

Washington collects inside their borders. “These oil and gas royalties are an integral component of many western states’ budgets, and suspending their collection would have a direct negative effect on states,” the Western Governors’ Association wrote in early April to David Bernhardt, a former oil lobbyist who serves as interior secretary.” [Financial Times, [06/28/20](#)]

The Mineral Leasing Act Of 1920 Set The Current Public Lands Oil And Gas Royalty Rate At 12.5%.

The Mineral Leasing Act Set The Royalty Rate AT 12.5% Of The Market Value Of The Product To Be Paid To The Mineral Owners. On Public Lands, That’s The Public. “The Mineral Leasing Act (MLA) defines the minimum royalty rate on oil and natural gas produced on federal lands to be 12.5%. Royalties (i.e., revenue from the application of the royalty rate to production) reflect the product of the royalty rate and the market value of the commodity produced. Royalty rates are defined in the terms of each lease and are not expected to change during the term of the lease.” [Congressional Research Service, [09/22/20](#)]

- **The Royalty Rate Is Unchanged Since The Mineral Leasing Act Was Passed In 1920.** “The current royalty rate, 12.5%, was established in 1920. Changing the royalty rate for new leases would not be expected to affect an operator’s production from producing wells, but it could influence interest in future leases and impact bonus payments received during lease sales.” [Congressional Research Service, [09/22/20](#)]

The Artificially Low Royalty Rate Is Characterized By Some In Congress As A “Sweetheart Deal” For Oil Companies

Senator Chuck Grassley: Artificially Low Royalty Rate Is A “Sweetheart Deal” For Oil Companies. “The law no longer reflects fair market value. It has become a sweetheart deal for legacy energy companies. It’s shortchanging the taxpayer and depriving public coffers from their fair share of revenue generated from public lands.” [Senator Chuck Grassley, [03/06/20](#)]

The Federal Royalty Rate Is Substantially Lower Than What Western States Charge On State Public Lands...

The GAO Found That States Get A Better Return On Public Lands Oil Royalties Because They Charge Higher Rates For Oil Production. “Also, preliminary observations from GAO’s ongoing work indicate that selected states charge royalty rates for oil and gas produced on state lands at a higher rate than the federal government charges for production on federal lands.” [Government Accountability Office, [09/24/19](#)]

Montana’s Royalty Rate Is 16.67 Compared To The Federal Government’s Onshore Rate Of 12.5%. [Government Accountability Office, [09/24/19](#)]

Table 1: Federal and State Lease Terms and Practices for Onshore Oil and Gas Leases, as of September 2019

	Primary Term years) ^a	Minimum bonus bid ^b (per acre)	Rental rate ^c (per acre)	Royalty Rate (percent)
Federal Lease Terms				
Onshore	10	\$2.00	\$1.50 or \$2.00 ^d	12.5 ^e
Selected State Lease Terms				
Colorado	5	None	\$2.50	18.75 or 20 ^f
Montana	10	None	\$1.50/2.75/4.00 ^g	16.67
New Mexico	5	Varies ^h	\$0.25 – 1.00	12.5, 16.67, 18.75 or 20 ⁱ
North Dakota	5	\$1.00	\$1.00	16.67 or 18.75 ^j
Oklahoma	3	\$5.00	\$1.00	18.75
Texas	3	\$10.00 ^k	\$10.00	25
Utah ^l	5	\$2.00	\$2.00 ^m	16.67 ⁿ
Wyoming	5	\$1.00	\$1.00	12.5 or 16.67 ^o

Sources: GAO analysis of federal and state laws and regulations, and state officials. | GAO-19-718T

Source: [GAO](#)

...And Boosting The Federal Royalty Rate Could Bring In Millions Annually.

An Independent Watchdog Estimates Raising Royalty Rates Could Bring In Tens Of millions More Revenue Annually To Montana

GAO Found That Modest Royalty Increases Could Boost Revenues By \$38 Million Annually.

“The oil and gas studies that GAO reviewed estimated that raising the federal royalty rate could increase net federal revenue between \$5 million and \$38 million per year. One of the studies stated that net federal revenue would increase under three scenarios that modeled raising the royalty rate from the current 12.5 percent to 16.67 percent, 18.75 percent, or 22.5 percent, while the other study noted that the effect on federal revenue would initially be small but would increase over time.” [Government Accountability Office, [06/20/17](#)]

- **The GAO Found That Increasing Royalty Rates Would Boost Revenue With A Minimal Impact To Production.** “In June 2017, we reported that raising federal royalty rates for onshore oil, gas, and coal resources could decrease oil and gas production on federal lands by either a small amount or not at all but could increase overall federal revenue, according to studies we reviewed and stakeholders we interviewed.” [Government Accountability Office, [09/24/19](#)]

If The Federal Rate Were More In Line With What States Charge, Montana Might Have Seen \$12 Million More In Revenue In 2019 Alone

2019 Cost Of Low Royalty Rate In Western States*			
	2019 Royalty Revenue (actual)**	2019 Royalty Revenue (at proposed 20% rate)	2019 cost to state of low royalty rate
New Mexico	\$1,340,557,753.87	\$2,144,892,406.19	\$804,334,652.32
Wyoming	\$668,180,446.01	\$1,069,088,713.61	\$400,908,267.60

North Dakota	\$318,929,799.71	\$510,287,679.53	\$191,357,879.82
Colorado	\$124,657,581.71	\$199,452,130.73	\$74,794,549.02
Utah	\$87,768,202.08	\$140,429,123.32	\$52,660,921.24
California	\$75,459,265.98	\$120,734,825.56	\$45,275,559.58
Montana	\$21,246,305.55	\$33,994,088.88	\$12,747,783.33
	\$2,636,799,354.91		\$1,582,079,612.91*

Source: [Interior Office Of Natural Resource Revenue](#)

**These total cost is calculated from actual share of onshore oil and gas production revenues received by states under the low 12.5% rate and extrapolating them to the amount that states' share would have been had the royalty rate been 20%, all other factors equal. This cost is a conservative estimate because it only reflects the royalty rate change in the reconciliation package; it does not include new royalties for vented methane or increased revenues from updated rents and bonus bid increases.*

***The actual royalty revenue figures are from the Interior Office of Natural Resource Revenue. They reflect each state's [50% share of the standard 12.5% royalty rate](#).*

Top Methane And Greenhouse Gas Emitters Taking Advantage Of Outdated Leasing Program Routinely Try To Avoid Royalties While Exploiting Our Public Lands In Montana

Despite Its Relatively Small Size, Scout Energy Is One Of The Oil And Gas Industry's Top Methane Emitters, Drilling For Cheap On Federal Lands While Polluting The Air.

Scout Energy Is A Private Oil And Gas Company Claiming To Be Valued At \$2M.

Scout Energy Group Is A Private Oil And Gas Company. "Scout Energy Partners is a private energy producer. Scout focuses on the acquisition, operation and improvement of upstream energy assets and associated midstream energy infrastructure." [Scout EP, About Us, accessed [12/07/21](#)]

Scout Energy Claims To Be Valued At \$2M. "Since its establishment, Scout has completed over 50 acquisitions with over \$2 billion in acquisition value." [Scout EP, About Us, accessed [12/07/21](#)]

Of The Top Leasers Of Federal Land, Scout Energy Group Controls The Most Leases In Montana, Hoarding 143,425 Acres For Oil And Gas Development.

Of The Top Leasers Of Federal Land, Scout Energy Is The Largest Leaser Of Federal Land In Montana, Controlling 310 Leases Totaling 143,425 Acres. [Data From The Bureau Of Land Management]

In Addition To Pocketing Hundreds Of Thousands Off Their Oil And Gas Operations On Federal Land, Scout Energy Got A \$10M Bailout From The Paycheck Protection Program.

Scout Energy Paid \$2.4 Million In Oil And Gas Royalties In 2020, But Would Have Paid As Much As \$804,992 More If It Was Subject To Montana’s Higher Royalty Rates For State Land.

Scout Energy Group paid the Department of the Interior \$2.4 million in oil and gas royalties in 2020. It paid \$5.3 million in 2019. Had Scout Energy paid the same higher royalty rates for state land in Montana (16.67%), it would have additionally paid \$804,992 in 2020 and \$1.8 million in 2019. [[U.S. Department of the Interior, Office of Natural Resources Revenue](#)]

Scout Energy Group Oil and Gas Royalties - 2020	
<i>Federal Rate</i>	<i>Montana Rate</i>
\$2,413,045	\$3,218,037
Cost To Taxpayers	\$804,992

Scout Energy Group Oil and Gas Royalties - 2019	
<i>Federal Rate</i>	<i>Montana Rate</i>
\$5,319,744	\$7,094,410
Cost To Taxpayers	\$1,774,667

Scout Energy Received A \$10M Paycheck Protection Program Bailout In 2020. [COVID Bailout Tracker, accessed [12/07/21](#)]

Scout Energy Is A Major Methane Emitter, Dumping More Methane Than Many Of Its Much Larger Oil And Gas Industry Peers.

Scout Energy Is Among The Oil And Gas Industry’s Top Methane Emitters. “Terra’s private equity peers, Flywheel Energy, Blackbeard Operating and Scout Energy, are also among the top ten methane emitters.” [[New York Times, 06/02/21](#)]

- **Despite Its Relative Size, Scout Energy Emits More Methane Than “Many Industry Heavy Hitters.”** “The largest emitter, Hilcorp Energy, reported almost 50 percent more methane emissions from its operations than the nation’s largest fossil fuel producer, Exxon Mobil, despite pumping far less oil and gas. Four other relatively unknown companies – Terra Energy Partners, Flywheel Energy, Blackbeard Operating and Scout Energy – each reported emitting more of the gas than many industry heavyweights.” [[New York Times, 06/02/21](#)]

Scout Energy Had The Highest Natural Gas Sustainability Initiative (NGSI) Emissions Intensity Of 100 Top Oil And Gas Producers, Surpassing Oil Giants Like ExxonMobil, Chevron, And ConocoPhillips. [Clean Air Task Force, June 2021, accessed [12/07/21](#)]

- **The NGSI Metric Calculates Methane Emissions Intensity.** “This report uses two emissions intensity metrics to compare producer performance. The first is the Edison Electric Institute and American Gas Association Natural Gas Sustainability Initiative (NGSI) protocol for calculating methane emissions intensity. This approach focuses on the natural gas value chain and calculates intensity as methane emissions assigned to

natural gas on an energy basis divided by the total methane content of produced natural gas. This metric provides insight to investors and gas purchasers interested in evaluating the methane performance of the natural gas value chain separate from the oil value chain. The NCSI methane emissions intensity is expressed as a percent (%).” [Clean Air Task Force, June 2021, accessed [12/07/21](#)]

Methane Has 80 Times The Planet Warming Potential Than Carbon Dioxide. “The main component of natural gas, methane can warm the planet more than 80 times as much as the same amount of carbon dioxide over a 20-year period if it escapes into the atmosphere before being burned.” [New York Times, [06/02/21](#)]

In 2018, Scout Energy Stole \$20M Worth Of Product From A Pipeline Stream.

Scout Energy Stole \$20M Worth Of Product From A Pipeline Stream In 2018. “Scout Energy Group III LP violated an agreement concerning the gathering and processing of natural gas when it surreptitiously took about \$20 million worth of product from the pipeline stream before it reached Badger Midstream Energy LP’s processing plant, counsel for Badger told jurors during opening statements in a jury trial Monday afternoon.” [Law360, [07/23/18](#)]

ExxonMobil Is One Of Top Polluters In The Country, Causing \$2.1B Worth Of Environmental Damage While Raking In Billions Of Profits And Attempting To Skirt Royalty Payments.

The Biggest Fossil Fuel Producer In The U.S., ExxonMobil’s, Billions In Revenue Did Not Stop The Company From Laying Off 15% Of Its Workforce While Its CEO Took Home Seven-Digits.

Exxon Is “The Nation’s Largest Fossil Fuel Producer.” “The largest emitter, Hilcorp Energy, reported almost 50 percent more methane emissions from its operations than the nation’s largest fossil fuel producer, Exxon Mobil, despite pumping far less oil and gas.” [New York Times, [06/02/21](#)]

ExxonMobil Had \$178.6B In Revenue In 2020. [SEC EDGAR, ExxonMobil Form 10-K, [02/24/20](#)]

- **ExxonMobil Had \$255.6B In Revenue In 2019.** [SEC EDGAR, ExxonMobil Form 10-K, [02/24/20](#)]

ExxonMobil CEO Darren Woods Made \$15.6M In Total Compensation In 2020. [SEC EDGAR, ExxonMobil DEFC14A, [03/16/21](#)]

- **ExxonMobil CEO Darren Woods Made \$23M In Total Compensation In 2019.** [SEC EDGAR, ExxonMobil DEFC14A, [03/16/21](#)]

In October 2020, ExxonMobil Announced Plans To Downsize Its Workforce By 14,000 People. “Exxon, the large oil and gas giant, announced that it will downsize roughly 14,000 people –

representing 15% of its global workforce, including around 1,900 employees at the Houston-based headquarters.” [Forbes, [10/30/20](#)]

Of The Top Leasers Of Federal Land, ExxonMobil Controls The Third Most Leases In Montana, Hoarding 68,111 Acres For Oil And Gas Development.

Of The Top Leasers Of Federal Land, ExxonMobil Is The Second Largest Leaser Of Federal Land In Montana, Controlling 217 Leases Totaling 68,111 Acres. [Data From The Bureau Of Land Management]

Despite Skirting Around \$100M In Royalties Thanks To The Outdated Federal Leasing Program, Exxon And Its Subsidiaries Have Still Been Forced To Pay Over \$212M For "Knowingly" And "Systematically" Underpaying Royalties.

ExxonMobil Paid \$294.6 Million In Oil And Gas Royalties In 2020, But Would Have Paid As Much As \$98 Million More If It Was Subject To Montana’s Higher Royalty Rates For State Land. ExxonMobil paid the Department of the Interior \$294.6 million in oil and gas royalties in 2020. It paid \$307 million in 2019. Had ExxonMobil paid the same higher royalty rates for state land in Montana (16.67%), it would have additionally paid \$98 million in 2020 and \$102 million in 2019. [[U.S. Department of the Interior, Office of Natural Resources Revenue](#)]

ExxonMobil Oil and Gas Royalties - 2020	
<i>Federal Rate</i>	<i>Montana Rate</i>
\$294,637,341	\$392,928,358
Cost To Taxpayers	\$98,291,017

ExxonMobil Oil and Gas Royalties - 2019	
<i>Federal Rate</i>	<i>Montana Rate</i>
\$307,027,232	\$409,451,516
Cost To Taxpayers	\$102,424,285

In 2018, XTO Energy, An ExxonMobil Subsidiary, Paid \$80M To Settle A Class-Action Lawsuit Over 15 Years Of Underpaid Royalties. “An Oklahoma judge on Tuesday approved a settlement by ExxonMobil Corp.’s XTO Energy Inc. that requires \$80 million to be paid in a class action lawsuit regarding underpaid natural gas royalties. [...] Chieftain Royalty Co. filed a lawsuit against the defendant in December 2010 claiming royalties were underpaid for gas produced in Oklahoma wells from May 2002 through May 2017. [...] According to the lawsuit, royalties were underpaid on gas and its constituents, including helium, residue gas, natural gas liquids, nitrogen and condensate.” [National Gas Intelligence, [03/28/18](#)]

In 2018, XTO Energy Was Forced To Pay \$11M To Settle A Lawsuit Over Underpaid Royalties. “The Marburger and Thiele families of Butler county, along with more than 1,100 other natural gas lease holders, will soon get their shares of an \$11 million settlement with XTO Energy. A settlement in the class-action lawsuit was approved by a judge in March after almost three years in federal court. [...] The complaint alleged that XTO had committed a breach of contract by deducting operating expenses from royalty payments to landowners, who had originally entered into contracts leasing their mineral rights to Phillips Production around 2007.

Phillips was then acquired by Exxon Mobil in 2011 and XTO Energy took over local drilling operations." [Butler Eagle, [05/21/18](#)]

XTO Energy Was Fined \$890,000 For "Federal Leasing Royalty Violation" In May 2018. [Good Jobs First, Violation Tracker, [05/01/18](#)]

ExxonMobil Was Ordered To Pay \$121M In Royalties Following A Dispute With Alabama Over Natural Gas Wells On The State's Coast. "The Alabama Supreme Court has sided with Exxon Mobil Corp. in another dispute with the state of Alabama involving the company's natural gas wells along the Alabama coast. The latest dispute involves \$23 million. In 2007, the Alabama Supreme Court threw out most of a \$3.6 billion verdict Alabama had won against the oil company in a dispute over natural gas royalties from the wells. Exxon Mobil ended up paying Alabama more than \$121 million in royalties plus interest." [WSFA, [12/12/08](#)]

An ExxonMobil Company, Mobil Natural Gas, "Knowingly" And "Systematically" Underpaid Royalties On Federal And Native American Land For 11 Years, Resulting In A \$32.2M Penalty. "Mobil Natural Gas Inc., Mobil Exploration & Producing U.S. Inc. and their affiliates agreed to pay the United States \$32.2 million to resolve claims that they violated the False Claims Act by knowingly underpaying royalties owed on natural gas produced from federal and American Indian leases. The Mobil companies are alleged to have systematically under reported the value of natural gas taken from the leases from March 1, 1988, to Nov. 30, 1999, and, consequently, paid less royalties than owed to the United States and various American Indian tribes." [Good Jobs First, Violation Tracker, [04/05/10](#)]

ExxonMobil Has Been Fined \$41.2M In False Claims Act Violations Since 2000. [Good Jobs First, Violation Tracker, accessed [12/08/21](#)]

- **The False Claims Act Prohibits Submitting Knowingly False Claims To The Government.** "The FCA provided that any person who knowingly submitted false claims to the government was liable for double the government's damages plus a penalty of \$2,000 for each false claim. The FCA has been amended several times and now provides that violators are liable for treble damages plus a penalty that is linked to inflation." [US Department Of Justice, The False Claims Act, [01/14/21](#)]

ExxonMobil Is One Of The World's Top Greenhouse Gas And Methane Emitters, With Plans To Further Increase Production Through 2030...

ExxonMobil Was Ranked The Fourth Largest Global Polluter Based On Total Carbon Emissions Since 1965. ExxonMobil released 41,904 million metric tonnes of CO₂, 3.09% of total global emissions. [The Guardian, [10/09/19](#)]

- **ExxonMobil Was The Highest Greenhouse Gas Emitter In The US Oil And Gas Industry In 2019.** "To be sure, the large producers remain huge emitters. For greenhouse gas emissions overall, Exxon Mobil reported the industry's highest numbers in 2019, a record that is expected to become a top priority as the company contends with three climate-focused directors recently elected to its board by shareholders increasingly wary of its exposure to climate risks." [The New York Times, [06/02/21](#)]

In 2019, ExxonMobil Had The Second Highest Methane Emissions Of Top Oil And Gas Producers. [Clean Air Task Force, June 2021, accessed 12/08/21]

- **Methane Has 80 Times The Planet Warming Potential Than Carbon Dioxide.** “The main component of natural gas, methane can warm the planet more than 80 times as much as the same amount of carbon dioxide over a 20-year period if it escapes into the atmosphere before being burned.” [New York Times, [06/02/21](#)]

From 2019 To 2030, ExxonMobil Is Planning The Largest Increases In Oil And Gas Production, Increasing By 52% And 27% Respectively. “While almost all the companies are planning increases in oil production, Exxon and Chevron are planning the most [...] Exxon and BP are planning the biggest increases in gas production.” [Vox, [09/25/20](#)]

...And A Top Emitter Of Small Particulate Matter, A Dangerous Pollutant That Increases The Risk Of Death From COVID-19.

Three ExxonMobil Refineries Are The Top Emitters Of Small Particulate Matter In The U.S. “The Texas-based firm's three largest refineries - two in Texas and one in Louisiana - are the nation's top three emitters of small particulate matter, according to the analysis of the latest tests submitted to regulators by the nation's 10 largest refineries. The three Exxon refineries together averaged emissions of 80 pounds per hour, eight times the average rate of the seven other refineries on the top-ten list, some of which are larger than Exxon's plants, the analysis shows. The top polluter, Exxon's Baton Rouge refinery, averaged 138 pounds per hour.” [Reuters, [06/01/21](#)]

- **Small Particulate Matter Is One Of The “Most Harmful Pollutants” And Leads To A Higher Risk Of Death From COVID-19.** “Small particulate matter is among the most harmful pollutants. Made up of particles 50 times smaller than a grain of sand, it can bond with other toxins, infiltrate the blood stream, and damage the heart, lungs and nervous system. A small increase in long-term exposure to small particulate matter also leads to a large increase in COVID-19 death rates, according to a recent Harvard University study.” [Reuters, [06/01/21](#)]

ExxonMobil Is Responsible Billions Worth Of Environmental Violations, Including One Of The Worst Oil Spills In History That Has Impacted Local Land And Wildlife To This Day.

ExxonMobil Has Incurred \$2.1B In Environmental Violations Since 2000. [Good Jobs First, Violation Tracker, accessed [12/08/21](#)]

- **ExxonMobil Has Been Fined \$4.5M For Employment And Safety-Related Offenses Since 2000.** [Good Jobs First, Violation Tracker, accessed [12/08/21](#)]
- **ExxonMobil Has Been Fined \$2M For “Financial Offenses” Since 2000.** [Good Jobs First, Violation Tracker, accessed [12/08/21](#)]

ExxonMobil, In 2017, Was Ordered To Pay Nearly \$20 Million For “Spewing Millions Of Pounds Of Excess Air Pollution From Its Houston-Area Industrial Facilities.” “In a huge win

for environmental groups, a federal judge has ordered ExxonMobil to pay nearly \$20 million for spewing millions of pounds of excess air pollution from its Houston-area industrial facilities. The Sierra Club and Environment Texas sued the energy giant in 2010, alleging that over a five-year period it had emitted more than 8 million pounds of hazardous chemicals and other contaminants from its sprawling Baytown complex than is allowed by state and federal law and clean air permits. The 3,400-acre complex about 25 miles east of Houston houses a refinery and chemical, olefins and plastics plants." [*The Texas Tribune*, [04/27/17](#)]

Exxon Is Responsible For One Of The Worst Oil Spills In US History, Spilling 11M Gallons Of Oil Into Alaska's Prince William Sound. "The Exxon Valdez oil spill was a manmade disaster that occurred when Exxon Valdez, an oil tanker owned by the Exxon Shipping Company, spilled 11 million gallons of crude oil into Alaska's Prince William Sound on March 24, 1989. It was the worst oil spill in U.S. history until the Deepwater Horizon oil spill in 2010. The Exxon Valdez oil slick covered 1,300 miles of coastline and killed hundreds of thousands of seabirds, otters, seals and whales. Nearly 30 years later, pockets of crude oil remain in some locations." [*History*, [03/23/21](#)]

- **Exxon Was Fined \$125M For Criminal Fines And Restitution As Well Have \$900M Paid Out Over Ten Years For Restoration.** "On Oct. 8, 1991, U.S. District Court Judge Russel Holland approved both a plea agreement resolving criminal charges against Exxon Corporation and Exxon Shipping (Exxon) under various federal environmental laws and a settlement agreement between Exxon and the United States and the state of Alaska resolving all civil claims between them pertaining to the spill. Under the plea agreement, the company paid \$125 million for a criminal fine and restitution. The civil settlement required Exxon to pay the governments \$900 million over 10 years to reimburse past costs and fund the restoration of injured natural resources." [U.S. Department Of Justice, Press Release, [10/15/15](#)]
- **Exxon Valdez Affected Over 1,300 Miles Of Shoreline And Killed Billions Of Wildlife With Some Species Still Not Recovering Over 25 Years Later.** "The spill affected more than 1,300 miles of shoreline, with immense impacts for fish and wildlife and their habitats, as well as for local industries and communities. The oil killed: An estimated 250,000 seabirds, 2,800 sea otters, 300 harbor seals, 250 bald eagles, As many as 22 killer whales, Billions of salmon and herring eggs. More than 25 years since the spill, the following species remain in a "Not Recovering" or "Unknown" status: Killer whales (family group known as pod AT1), Kittlitz's murrelets, Marbled murrelets, Pigeon guillemots"[DARRP, NOAA, Exxon Valdez, accessed [12/08/21](#)]

EOG Resources Hoards 72 Leases In Montana While Repeatedly Failing To Hundreds Of Thousands In Royalties.

EOG Resources, An Enron Off-Shoot, Enjoyed \$11B In Revenue In 2020 While Its CEO Made \$7.9M During The First Year Of The COVID-19 Pandemic.

EOG Resources Spun Off From Enron Corp In 1999. "EOG, spun off from the now-defunct Enron Corp. in 1999, has 2,800 employees, including about 600 in the Houston area." [*Houston Chronicle*, [11/12/20](#)]

EOG Resources Had An Annual Revenue Of \$11 Billion In 2020 And \$17.4 Billion In 2019. [EOG Resources Form 10-K, U.S. Securities and Exchange Commission, [02/25/21](#)]

EOG Resources Chairman And CEO, William R Thomas, Made \$7.9M In Total Compensation In 2020. [EOG Resources Schedule 14A, U.S. Securities and Exchange Commission, [03/19/21](#)]

- **Thomas Made \$12.7M In Total Compensation In 2019.** [EOG Resources Schedule 14A, U.S. Securities and Exchange Commission, [03/19/21](#)]

Of The Top Leasers Of Federal Land, EOG Resources Controls The Third Most Leases In Montana, Hoarding 27,975 Acres For Oil And Gas Development.

Of The Top Leasers Of Federal Land, EOG Resources Is The Third Largest Leaser Of Federal Land In Montana, Controlling 72 Leases Totaling 27,975 Acres. [Data From The Bureau Of Land Management]

EOG Resources Has A History Of Royalty Violations Despite Already Saving Tens Of Millions Under The Outdated Federal Leasing Program.

EOG Resources, “The Largest Oil And Gas Operator In Laramie County,” Was Sued In Federal Court For Failing To Pay Royalties On Time. “A federal lawsuit was filed last month in Wyoming alleging EOG Resources, the largest oil and gas operator in Laramie County, has failed to pay royalty proceeds on time, as well as the accompanying interest from failing to meet those deadlines, to those who are owed them.” [Wyoming Tribune Eagle, [10/08/20](#)]

EOG Resources, In 2018, Was Ordered To Pay Over \$700,000 After It Was Sued Over Royalties By A Texas Family And Another Oil Company. “Justices sided 6 to 3 with U.S. Shale Energy II LLC and three members of the Roush family, awarding them 10 percent of royalties on eight oil wells drilled by EOG Resources Inc. (NYSE: EOG) on two leases southeast of Gillett. Under the ruling, U.S. Shale Energy and the Roush family are expected to receive more than \$700,000 in royalties and attorneys fees in a case that provides legal guidelines and clarifications on how to interpret royalties and deeds in dozens of similar cases.” [San Antonio Business Journal, [07/02/18](#)]

EOG Resources, In 2003, Paid \$6 Million To Settle A Class-Action Lawsuit That Alleged That The Company Failed To Properly Pay Royalties From Oil And Gas Development In Violation Of The Wyoming Royalty Payment Act. “Whereas, the Plaintiffs made claims in the Class Suit against EOG for alleged violations of the Wyoming Royalty Payment Act, Wyo. Stat, § 30-5-301 to 30-5-305 (the “Act”) [...] Whereas, Plaintiffs advised EOG of their intention to amend the Complaint to make claims in the Class Suit for alleged undervaluation of gas, condensate and natural gas liquids and, accordingly, EOG provided certain information to the Plaintiffs regarding revenues (as described in Paragraphs 2.8.1, 2.8.2, and 2.8.3 of this Agreement) so that the parties could evaluate and settle valuation claims as well [...] Whereas, Plaintiffs made claims in the Class Suit against EOG for alleged interest, including without limitation Wyo. Stat. § 30-5-303(a) (collectively “Statutory Interest”) on all production revenues which we not timely paid for EOG. [...] “EOG Settlement Amount” shall be Six Million

Dollars.” [Madsen et. al. v. EOG Resources, Wyoming Third Judicial District Court, Civil Action No. 10,548, [Court Order](#) and [Settlement Agreement, 07/05/05](#)]

EOG Resources Paid \$204 Million In Oil And Gas Royalties In 2020, But Would Have Paid As Much As \$68.2 Million More If It Was Subject To Montana’s Higher Royalty Rates For State Land. EOG Resources paid the Department of the Interior \$204.5 million in oil and gas royalties in 2020. It paid \$228.6 million in 2019. Had EOG Resources paid the same higher royalty rates for state land in Montana (16.67%), it would have additionally paid \$68.2 million in 2020 and \$76.3 million in 2019. [[U.S. Department of the Interior, Office of Natural Resources Revenue](#)]

EOG Resources Oil and Gas Royalties - 2020	
<i>Federal Rate</i>	<i>Montana Rate</i>
\$204,472,727	\$272,684,829
Cost To Taxpayers	\$68,212,102

EOG Resources Oil and Gas Royalties - 2019	
<i>Federal Rate</i>	<i>Montana Rate</i>
\$228,611,366	\$304,876,118
Cost To Taxpayers	\$76,264,752

EOG Resources Was Forced To Pay Over \$1.6 Million In Penalties For Numerous Violations Of Environmental And Safety Regulations.

EOG Resources Paid \$1,484,637 For Environmental Violations Since 2000. [Good Jobs First, Violation Tracker, accessed [12/06/21](#)]

EOG Resources Paid \$131,869 In Safety-Related Violations Since 2000. [Good Jobs First, Violation Tracker, accessed [12/06/21](#)]

Devon Energy Paid \$5M After “Cheat[ing] Landowners And Others Out Of Millions Of Dollars In Royalty Payments.

Devon Energy Was Sued After It “Cheated Landowners And Others Out Of Millions Of Dollars In Royalty Payments” In Montana. “Devon Energy Corp., a major natural gas producer in Montana, cheated landowners and others out of millions of dollars in royalty payments, a landowners' group contends in a federal lawsuit filed here. [...] It alleges that the company, among other things, has improperly deducted certain expenses before computing the price on which its royalty payments are based, and has underreported the amount of gas produced. In all, the lawsuit alleges, the company owes some \$5 million to mineral rights owners. The suit also seeks punitive damages.” [*Havre Daily News*, [06/16/05](#)]

Devon Energy Was Required To Pay \$5M As Compensation After Two Years Of Active Litigation. “After two years of active litigation, the parties, in recognition of the risk that existed for both plaintiffs and defendants, settled the matter on a classwide basis. The major terms of the settlement included: (1) a cash payment by Devon of \$5,000,000 to the class (distributed on a pro rata basis) as compensation for past charges; (2) a promise that in the future, Devon will

cease deducting charges for "gathering" or other operating costs from the class members' royalty checks and will limit its deductions to three charges (gathering compression fuel, regulated transportation costs and transportation compression fuel) that are specifically defined in the Settlement Agreement; and (3) a release by the class members of their claims against Devon." [M Mudler Law, CV-05-30-H-DWM, accessed [12/07/21](#)]