

Big Oil Lays Out Plan In 2023 To Further Exploit Federal Lands.

SUMMARY: During the American Petroleum Institute's 2023 State of American Energy, CEO Mike Sommers made the case for boosting Big Oil's eye-popping profits and letting the industry exploit more of our public lands. This includes:

API claimed the Biden administration's public land policies hurt America's supply of energy when, in reality:

- Big Oil refrained from buying many key tracts of public land, which only account for a portion of all energy production
- America is already a major producer of energy and gearing to be a net energy exporter yet again in 2023

API cited a false dichotomy between American energy independence through oil and natural gas and American energy reliance on foreign sources. In reality:

- Mike Sommers, API's CEO, has a history of using fear mongering tactics and hypotheticals to promote the oil industry

API argued the Biden Administration's infrastructure policies is driving up energy costs (and not oil companies), however:

- Oil and gas companies weren't even using all the infrastructure they had available prior to COVID-19
- Big Oil-funded Republicans try to block infrastructure legislation
- Big Oil and their shareholders made major profits off of skyrocketing prices that hurt consumers the most

API claims cares about sustainability and is taking the right steps to mitigate its impact on the environment, but their past and present actions tell a different story:

- API repeatedly fought against policies that promoted sustainability and denied the effects of climate change
- API promoted fossil fuels over renewables
- API admitted to using greenwashing tactics to appeal to investors (more than once)

The American Petroleum Institute has peddled an incomplete narrative to portray the government's federal land policies as overly restrictive on the oil industry despite its already massive profits and negative environmental impacts.

Big Oil Finger Points At The Biden Administration's Public Land Policies While Laying Out A Wish List To Exploit Federal Lands And Make Oil Companies Richer.

RHETORIC: The Biden Administration's Public Lands Policies Hurt Oil And Gas Supply

Mike Sommers Claimed Americans Are Suffering Because The Biden Administration Is Leasing Less Federal Land To Oil And Gas Companies. "Because the basics of America's energy challenges are pretty straightforward. When it comes to energy, Americans are suffering under the biggest supply imbalance in over a generation between what we have and what we need to live our lives. Under the Biden administration, our government has leased fewer federal acres for oil and natural gas production than any other president since World War II and has suggested no offshore leasing for years. That's despite the years it takes to plan, invest, permit, and develop energy and projections that America and the world will need oil for decades to come." [YouTube, API, 30:26, [01/11/23](#)]

REALITY: Even When Federal Land Is Up For Grabs, Big Oil Isn't Buying

A Recent Federal Lease Sale Received A Single Bid For Only One Out Of 193 Tracts After Attracting Minimal Interest From The Oil Industry. "An offshore drilling auction off the Southern Alaska coast netted little interest after it was revived by the Inflation Reduction Act. Just one company bid on the chance to drill on just one tract out of 193 that were offered up for lease in Alaska's Cook Inlet. The Interior Department was compelled to hold the auction by the Inflation Reduction Act after previously canceling the sale due to lack of industry interest." [ABC27, [12/30/22](#)]

The Previous Administration Put Up 25 Million Acres Onshore For Sale And Sold Only 5.6 Million Acres. "The Trump administration conducted a fire sale of public lands and waters, offering more than 25 million acres onshore during the past four years, 5.6 million of which were purchased. Offshore, more than 78 million acres were offered for lease to oil, gas, and mineral development offshore, and only 5 million acres were purchased." [BLM, [4/21/21](#)]

REALITY: Most Oil And Gas Production Does Not Occur On Federal Lands

Around 49 Percent Of Onshore Acres Leased To Oil And Gas Companies Produced Nothing In 2021. "In 2021, approximately 25% of total US oil production came from federal territory. In the same year, 12% of total natural gas production came from federally leased territory. This includes both onshore and offshore production. [...] Over the last decade, oil produced on federal territory has increased by roughly 70%... A large portion of lands leased to oil and natural gas developers do not currently produce anything. As of 2021, of the 25 million onshore acres leased to the oil and gas industry, approximately 12.6 million, or 49%, are currently unused and nonproducing." [USAFacts, [11/21/22](#)]

Past Sales Of Oil And Natural Gas Produced On Federal Land Accounted For 8 And 9 Percent Of All Oil And Natural Gas Production Respectively. "For fiscal year (FY) 2018, sales of oil,

gas, and natural gas liquids produced from the Federal and Tribal mineral estate accounted for approximately 8 percent of all oil, 9 percent of all natural gas, and 6 percent of all natural gas liquids produced in the United States. But not every acre of that land is being used for energy." [BLM, [Accessed: 01/13/23](#)]

RHETORIC: America Must Choose Between Exploiting Our Public Lands Or Unreliable Foreign Partners

API Fear Mongered If America Doesn't Meet A Growing Energy Demand, Less Sustainable Countries May Fill The Void. "Experts say demand for global oil and natural gas will increase tremendously over the next thirty years. In 2023 alone, it will increase by 2.7 million barrels a day. And if America doesn't meet that demand, then that demand will be met by other countries that may not share our values or be reliable partners; countries that don't work to protect their environment and their communities." [YouTube, API, 31:24, [01/11/23](#)]

REALITY: America Is Already A Top Energy Producer And Exporter

The United States Has Been The Top Crude Oil Producer Since 2018. "The United States became the world's top crude oil producer in 2018 and maintained the lead position through 2021. U.S. oil refineries obtain crude oil produced in the United States and in other countries.." [EIA, [09/16/22](#)]

The United States Has Also Been A Net Energy Exporter Since 2019. "The United States became a net total energy exporter in 2019 for the first time since 1952 and maintained that position in 2020 and 2021. U.S. total energy exports exceeded total energy imports by about 3.82 quadrillion British thermal units (quads) in 2021, the largest margin on record." [EIA, [06/10/22](#)]

America Is Importing Less Crude Oil And Exporting More Liquid Natural Gas, Becoming Its Largest Exporter In 2022. "Last month, U.S. government data showed net U.S. crude oil imports fell to 1.1 million barrels per day (bpd), the lowest since record keeping began in 2001. That is down sharply from five years ago, when the United States imported more than 7 million barrels per day. [...] The United States became the world's largest exporter of liquefied natural gas during the first half of 2022, surpassing Qatar and Australia, on the back of demand from Europe and surging prices. LNG exports likely will continue to rise into 2023 as Europe scrambles to refill storage depleted this winter, said Matt Smith, analyst at Kpler." {Reuters, 12/19/22]

REALITY: Mike Sommers Has A History Of Fear Mongering To Promote Big Oil

Sommers Framed Debates Around Energy As A Choice Between Using American Oil And Gas Or That From A Hostile Regime While Touting API's Outreach To Policymakers. "And the question the American people have to answer is whether they want to get that oil and gas

from regimes that are hostile to the United States or whether they want to get their energy from American resources. So, we're focused on working with policy-makers to ensure that they understand the huge implications so far of what these moves are going to mean for American energy independence." [API, [01/11/21](#)]

Mike Sommers Used Hypothetical Situations About Natural Security To Highlight The Importance Of American Oil And Gas. "“U.S. energy leadership offers stability in chaotic times and insulates America from unreliable suppliers of energy,” Sommers said. “We saw this reality in action just a few weeks ago. America’s vast energy resources helped stave off economic turmoil and price hikes at the pump when our nation stood on the brink of war with Iran. A few years ago, such stability would be unheard of ... You can thank the shale revolution and the sheer fact that American oil production doubled over the last decade. That surge means we import millions fewer barrels of oil per day from other nations.”” [API, [01/23/20](#)]

- **Sommers Used 9/11 To Emphasize The Importance Of Oil And Gas.** “As president and CEO of the nation’s largest trade association representing the natural gas and oil industry, I’m reminded that 9-11 really helped galvanize our country’s focus on the security of our nation’s infrastructure to harden it against any future acts of terrorism, from our airlines to our supply chains to our energy grid. Natural gas and oil keep America running. After 9-11 we innovated and developed technologies to dramatically increase domestic production and become less dependent on foreign oil.” [API, [10/24/20](#)]

RHETORIC: The Government Is Driving Up Prices By Blocking Energy Infrastructure

Mike Sommers Said That Difficulty In Receiving Permission To Build Pipelines Hampers Energy Transportation. “Producing more energy counts for very little if we can’t get it where it needs to go. And that’s why we need to focus on how we move energy to where it’s needed most. Today, it often takes more time and money to get permission to build a pipeline than it takes to actually construct the pipeline itself.” [YouTube, API, 32:34, [01/11/23](#)]

Mike Sommers Attributed Higher Energy Prices In New England To The Absence Of Natural Gas Pipelines. “Americans in New England sometimes pay up to eight times more for energy than people in Appalachia because the government won’t approve a pipeline to move natural gas to states like Connecticut, Rhode Island, and Massachusetts. We need our government to greenlight more pipelines to safely move our energy across the US and more terminals to let ships bring our energy around the world.” [YouTube, API, 32:38, [01/11/23](#)]

REALITY: Even Before The COVID-19 Pandemic, Oil And Gas Companies Weren’t Using All The Infrastructure Available To Them.

Before COVID-19 Brought Down Fuel Usage, Oil And Gas Shippers Only Used 60-70 Percent Of U.S. Pipeline Capacity. “Overall U.S. pipeline capacity utilization is at around 50%,”

compared with a range of 60% to 70% headed into early 2020 before the coronavirus pandemic hit, according to consultancy Wood Mackenzie. Oil and gas shippers often find themselves building pipelines amid a production boom only to find there is too much capacity when downturns occur." [Reuters, [12/16/21](#)]

REALITY: Big Oil-Funded Republicans Opposed Infrastructure Legislation

Western Members Of The House Natural Resources Committee Opposed The Inflation Reduction Act

Bruce Westerman, Paul Gosar, Doug Lamborn, Cliff Bentz, Lauren Boebert, Matt Rosendale, Blake Moore, Tom McClintock, And Garret Graves Voted Against The Inflation Reduction Act. [House Clerk, Roll Call 420, HR 5376, [08/12/22](#)]

The Same Western Members Received \$2.6M From Big Oil Throughout Their Careers

Top Ranking And Western States Republicans On The House Natural Resources Committee Accepted \$2,596,388 In Campaign Contributions From The Oil & Gas Industry During Their Federal Political Careers.

Oil & Gas Industry Contributions To HNRC Republicans	
Congressmember	Oil & Gas Campaign Contributions
Garret Graves	\$850,945
Bruce Westerman	\$416,575
Matt Rosendale	\$403,656
Doug Lamborn	\$342,630
Tom McClintock	\$276,059
Lauren Boebert	\$121,150
Paul Gosar	\$87,053
Cliff Bentz	\$63,270
Blake Moore	\$35,050
TOTAL	\$2,596,388

[Open Secrets, accessed [01/06/23](#)]

REALITY: The Price Of Oil And Gas Is Not Tied To The Policies Of An Individual President

Consumer Prices Have Always Gone Up And Down, Seemingly Unaffected By The Energy Policies Enacted During Any Presidential Term, And Instead Driven Primarily By Global Markets and Events. This means that regardless of how much federal acreage the Interior Department offers for leasing, how many federal drilling permits the Bureau of Land Management approves, or how much oil and natural gas are produced from federal lands, retail gasoline prices and home energy costs are still going to be largely driven by crude oil and natural gas spot prices, which are influenced primarily by global markets and events. (Figures 13, 14)

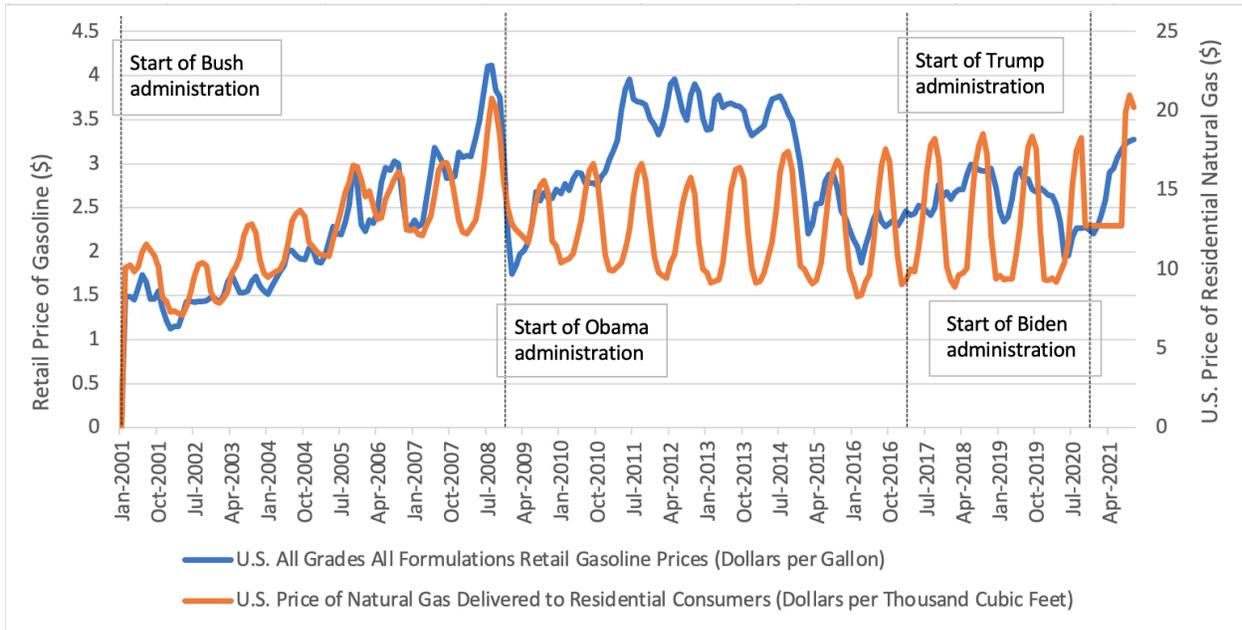


Figure 13: Source: US Energy Information Agency

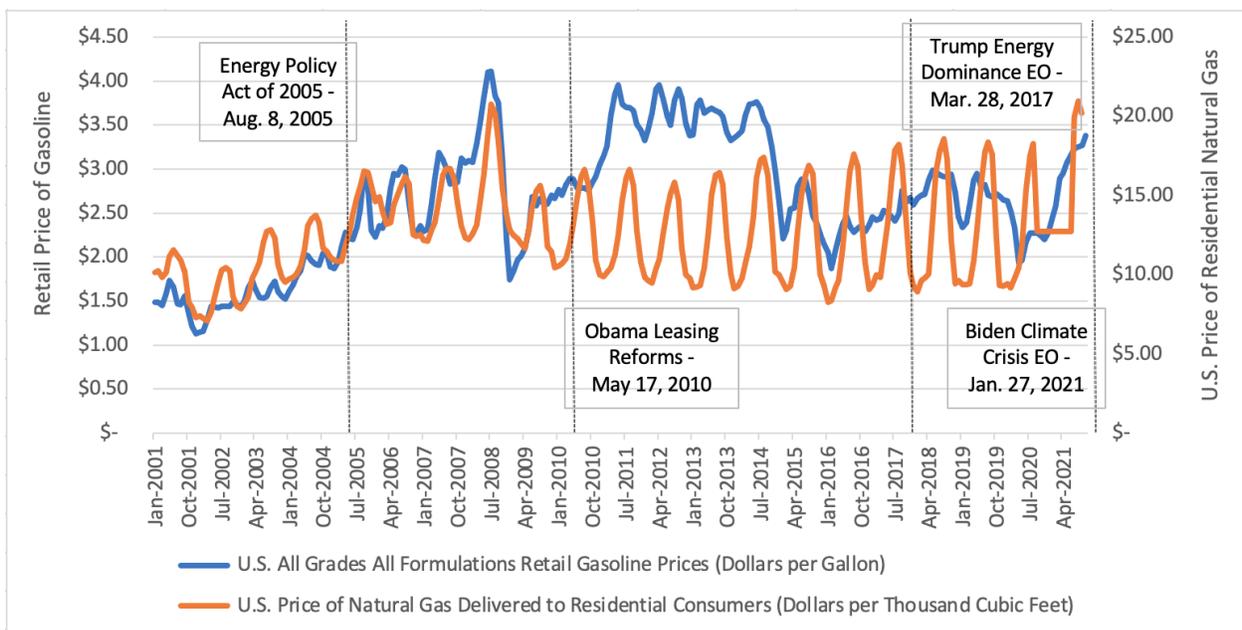


Figure 14: Source: US Energy Information Agency

REALITY: Oil And Gas Companies Had No Problem Making Major Profits Off Of Soaring Prices

Companies Like Exxon Mobil And Shell Made Record Profits Off Of The Increased Costs of Oil And Natural Gas. “Major oil companies saw profits soar in the third quarter of 2022, continuing a trend of massive industry profits even as Russia’s invasion of Ukraine causes soaring prices for consumers. Exxon Mobil on Friday morning reported its highest earnings ever at \$19.7 billion for the quarter, while Shell reported its second highest of \$9.5 billion. [...] Chevron also beat expectations, raking in \$11.2 billion in the third quarter, also its second-highest quarter ever.” [*The Hill*, [10/29/22](#)]

Major Oil Companies Gave Almost \$100 Billion To Shareholders Annually. “The controversy this week was not so much about the gargantuan dollar amounts earned but what the world’s largest energy companies chose to do with them. Exxon Mobil Corp., Chevron Corp., Shell Plc and TotalEnergies SE are handing almost \$100 billion to shareholders annually in the form of buybacks and dividends while reinvesting just \$80 billion in their core businesses this year, according to data compiled by Bloomberg.” [*Bloomberg*, [10/28/22](#)]

Oil Company Executives Hinted At A Move To Prioritize Investor’s Profits Over Energy Production. “During second quarter earnings calls, oil company executives were tight lipped about 2023 development and production plans. However, they did hint they are more focused on returning value to investors, mainly in the form of buybacks, than on increasing oil production. Buybacks effectively reduce the number of a company's shares available while propping demand for the stock. This supply/demand combination tends to boost the per-share stock price. In addition, company earnings are figured against a smaller number of shares, effectively boosting the quarter-end earnings-per-share numbers. Both are factors seen as highly desirable by investors.” [*Investor’s Business Daily*, [08/25/22](#)]

Oil Companies Are Designed To Pass Losses Onto Consumers

Oil Companies Are Structured To Pass Off Losses To Consumers Even If Consumers Will Suffer Financially. “There are a couple of reasons why the oil companies are making a killing,” said Irina Tsukerman, Esq, a geopolitical analyst, a member of the American Bar Association’s Oil and Gas Committee and the president of Scarab Rising Inc. “First, energy companies [...] are free enterprise, and like any other commodity in the U.S they are not controlled by the government, nor can the government regulate prices.” [...] “In fact, in the event of tax hikes either on the product itself or on the companies, the companies can pass off the losses to the consumer, as what companies typically do during inflation with any other product. And private companies are structured around making profit for themselves and their shareholders,” she continued. Not only are oil companies entitled to make profits no matter the suffering of the consumers they serve, but they’re also somewhat obligated to do so.” [*Nasdaq*, [11/07/22](#)]

RHETORIC: API Cares About Sustainability And Reducing Emissions

Mike Sommers Claimed That API Is Moving To Lower Carbon Emissions. “We’ve already created groundbreaking emissions reduction technology, and more on the way. Americans agree that taking care of this amazing land and reducing emissions is important. The question is how do we work to improve together?... We’re innovating in our production processes to slash methane emissions intensity, a potent greenhouse gas, and we’re working every day to bring them down even further. Not only can we lower US emissions, but we can also capture some of the remaining emissions.” [YouTube, API, 33:28, [01/11/23](#)]

REALITY: API Fought Against Sustainable Policies And Climate Policies

Mike Sommers Argued Against Speeding Up The Transition Away From Fossil Fuels. “The president of the American Petroleum Institute questioned the speed at which government is moving to shift the world's economy away from fossil fuels in a speech Wednesday.... Such a transition is expected to take decades at least, but [Mike] Sommers is arguing against government efforts to speed up the transition away from fossil fuels, even as he called climate change, ‘the most important issue of our time.’” [*Houston Chronicle*, [01/13/21](#)]

API Supported Trump’s Rollback Of Obama-Era Methane Regulations, According To A Statement From Mike Sommers. “The Environmental Protection Agency’s recent efforts to reconsider its New Source Performance Standards serve as an example of regulatory efficiencies that advance both industry performance and environmental protections. [...] Actions that streamline state and federal programs, and offer greater certainty for compliance, allow the industry to deliver reliable energy and drive climate progress.” [API, [09/05/19](#)]

API Wants To End Ethanol Mandates. “We need lawmakers to end mandates on ethanol that were put in place long ago when our energy picture was much different. We also need to ensure ongoing access for safe and responsible energy development on land and offshore.” [C-Span, [01/07/20](#)]

Despite Knowing About The Link Between Climate Change And Health Problems With Fossil Fuels, The American Petroleum Institute (API) Intentionally Spread Climate Change Disinformation

API Knew About The Climate Risks Of Fossil Fuel Pollutions As Early At The 1970s. “Members of an American Petroleum Institute task force on CO2 included scientists from nearly every major oil company, including Exxon, Texaco and Shell. [...] The American Petroleum Institute together with the nation’s largest oil companies ran a task force to monitor and share climate research between 1979 and 1983, indicating that the oil industry, not just Exxon alone, was aware of its possible impact on the world’s climate far earlier than previously known.” [*New York Times*, [12/22/15](#)]

API Funded A Controversial And Scientifically Dubious Climate Study By Willie Soon And Sallie Baliunas. “Across the world, many records reveal that the 20th century is probably not the warmest nor a uniquely extreme climatic period of the last millennium. [...] This work was supported by funds from the American Petroleum Institute (01-0000-4579), the Air Force Office of Scientific Research (Grant AF49620-02-1-0194) and the National Aeronautics and Space Administration (Grant NAG5-7635).” [*Climate Research*, Vol. 23: 89-110, 2003, accessed [03/22/21](#)]

REALITY: API Promotes Fossil Fuels Over Renewable Energy Sources

The American Petroleum Institute Pushes The Inclusion Of Natural Gas As A Low-Carbon Electricity Source. “API endorses an economy wide price on carbon, the most impactful policy for emissions reductions, but recognizes the prevalence of ongoing discussions regarding sector-specific policies, including a Clean Energy Standard (CES) focused on the electricity sector. API supports fuel- and technology neutral approaches to addressing emissions in the electricity sector and believes that any CES under consideration should include natural gas and recognize and value the many benefits natural gas provides to an increasingly lower-carbon electricity grid.” [API, Accessed: [01/12/23](#)]

REALITY: API Uses Greenwashing To Appeal To Investors

A Congressional Investigation Uncovered API’s Memorandum Stating That API Supported Specifically Chosen Environmental Efforts To Gain Legitimacy In The Fossil Fuels Industry. “Despite public promises that fossil fuels are merely a “bridge fuel” to cleaner sources of energy, Big Oil has doubled down on long-term reliance on fossil fuels with no intention of taking concrete actions to transition to clean energy.... In a March 2021 memorandum to API's Board of Directors, CEO Mike Sommers explained that API strategically supports certain efforts to reduce climate pollution to secure legitimacy to continue produce fossil fuels, noting that reducing emissions from flaring presented “an opportunity to further secure the industry's license to operate.” [Commerce Newswire, [12/10/22](#)]

Sommers Noted The Industry’s Environmental Efforts Are To Make Them More Appealing To Investors. “This industry of course relies on the availability of capital, and you know we're continuing to focus on making sure that investors in this industry understand everything that this industry has done to reduce the environmental footprint while meeting consumer demands for more affordable energy.” [AP, [04/07/19](#)]