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CRS Report Confirms What Western Oil and Natural Gas Producers Already Knew: Production on Federal Lands is Down [1]

(DENVER) - A Congressional Research Service (CRS) report released today confirms production on federal lands continues to decline in absolute terms as well as relative to state and private lands. While the rest of the country is booming, federal land policies are artificially suppressing production, putting western communities that rely on oil and natural gas development at a disadvantage compared to other areas of the country without large amounts of federal lands.

“The CRS report clearly shows that where the federal government has the most control, on federal lands, it is suppressing development of the energy that all Americans own while preventing job creation and economic prosperity,” said Tim Wigley, president of Western Energy Alliance. “The huge success of the oil and natural gas industry increasing energy security and bringing the country out of recession is despite, not because of, the policies of this Administration.

“North Dakota, which has dramatically increased oil and natural gas production, provides an example that the country should follow. With a business climate that encourages rather than constrains energy development, it has enjoys the lowest unemployment rate in the nation and huge budget surpluses. The federal government should learn from North Dakota, New Mexico, Colorado and other states that have increased energy production, and encourage development rather than constantly seeking ways to slow development and overregulate,” concluded Wigley.

Details from the report, which covers the period 2009 to 2013:

- Crude oil production on state and private lands increased 61 percent while falling 6 percent on federal lands, onshore and offshore. Onshore, the 28% increase is well below the 61 percent growth on non-federal lands.
- Natural gas production surged 33 percent on non-federal lands but decreased 28 percent on federal lands. Onshore production fell 15 percent.
- The federal share of total U.S. crude oil production has fallen nearly 11 percent.
- CRS’s opinion that the reason for the decline is that the large shale plays are on non-federal lands doesn’t consider that federal lands atop the Bakken, Niobrara and other major plays are lagging adjacent non-federal lands. In addition, prospective shales like the Mancos are being kept off limits by federal policies, so we do not truly know the extent of shale plays predominated by federal lands.
- CRS also has fallen victim to BLM’s bad data on permit processing times, parroting BLM’s erroneous assessment that operator processing times have increased. As the Government Accountability Office has demonstrated [2], BLM does not track the data in a consistent manner that enables it to draw conclusions about relative or even absolute processing times.

The CRS report is available online [3].

Western Energy Alliance’s Top 10 list of policies preventing production is available on its website [4].

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