

News Release



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Washington Suppresses Western Oil & Gas Production; Shrinks Vital Revenue Source

*Western Oil & Gas Dashboard confirms development on state and private lands
outpacing America's onshore federal lands*

(Denver)- Today Western Energy Alliance unveiled new data sets for its Western Oil and Natural Gas Dashboard, which confirms that changes in federal land management policies are suppressing oil and natural gas production on America's energy-rich federal lands. According to the *Dashboard*, a compilation of oil and natural gas statistics derived from government data sources, between FY2008 and FY2011 natural gas production on federal lands in the West declined 4%, while production on state and private lands increased 29%. Due to the extraordinary success in North Dakota's Bakken formation, oil production on federal lands in the West is up 26%, but less than half the 54% increase on state and private lands.

"Production of energy on federal lands is not keeping pace with production on private and state lands for one simple reason – federal government policies are suppressing development," said Kathleen Sgamma, Vice President of Government & Public Affairs. "Our *Dashboard* enables policymakers, the media and the general public to see the effects of policies that are stalling the production of energy that all Americans own."

Key indicators in the *Dashboard* show the result of policies that reduce access to public lands in the West from FY2008 to FY2011. The Bureau of Land Management (BLM) offered 81% less acreage, which has resulted in a 44% drop in leasing revenue, down from \$356 million to \$201 million. Nationwide, royalty and leasing revenue have declined 12%, from \$4.2 billion to \$3.7 billion.

"Western oil and natural gas development and production generates \$51 billion in revenue and employs 229,150 workers across America. Our industry is a force driving the economy not just in the West, but across the entire nation. Unfortunately, the federal government is standing in the way of increasing production of valuable energy resources that could spur further job creation, economic growth, and energy security," continued Sgamma.

Significance of the Western Oil and Natural Gas Industry

- 95% of U.S. federal onshore oil and natural gas is produced in the West.
- The West currently provides 26% of total U.S. natural gas and 18% of total U.S. oil production.
- In 2010, oil and natural gas development on state, private, and federal lands in the West provided \$5.5 billion in direct tax and royalty revenue – a major source of income for local governments, schools, infrastructure, and conservation funds.
- Companies returned \$66 in revenue for every dollar BLM spent administering the federal onshore oil and natural gas program in FY2011.

(more)

Analysis in the *Dashboard* shows that from FY2008 to FY2011 in the West:

- BLM offered 81% less acreage.
- Over 70% of leases offered were protested.
- Federal Application for Permit to Drill (APD) approvals declined 39%.
- Federal leasing revenue dropped 44%, from \$356 million to \$201 million.
- Nationwide, federal onshore revenue declined 11%, from \$4.2 billion to \$ 3.7 billion.

- Colorado
 - BLM issued 97% fewer leases.
 - BLM offered 4 parcels for lease in FY 2011, a 98% decrease.
 - 71% of leases offered have been protested.

- Montana/Dakotas
 - BLM issued 96 leases in FY 2011, a 55% drop.
 - In FY 2011, 100% of leases offered in Montana were protested.
 - Total leased acreage in effect has declined 57% since FY1988 and 29% since FY2008.

- New Mexico
 - Leasing revenue dropped 64%, from \$66 million to \$24 million.
 - BLM issued 22,974 acres, an 83% drop.
 - 73% of the acreage offered in New Mexico has been protested.

- Utah
 - BLM offered 17 leases for a total of 23,080 acres, an 86% drop.
 - Leasing revenue dropped 99%, from \$8.5 million to \$86,370.
 - Leased acreage has declined 98% since FY1988 and 73% since FY2008.

- Wyoming
 - BLM offered 213 parcels for lease in FY 2011, an 82% drop.
 - 69% of acreage offered was protested.
 - Total leased acreage in effect has declined 30% since FY1988 and 15% since FY2008.

First released in 2010, the *Dashboard* has been updated with new data sets to enable users to better understand trends in western oil and gas development and the effects on the western economy. Spencer Kimball, Manager of Government Affairs and lead analyst for the *Dashboard*, is available to answer detailed questions on the data.

Click here to view the [Western Oil and Natural Gas Dashboard](#).

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About Western Energy Alliance

Western Energy Alliance, founded in 1974 as the Independent Petroleum Association of Mountain States, is a non-profit trade association representing 400 companies engaged in all aspects of environmentally responsible exploration and production of oil and natural gas in the West. More information on Western Energy Alliance and its members is available at www.westernenergyalliance.org.