Rigged – Why Oil & Gas Development is Already the Dominant Use of Wyoming's Public Lands

Wyoming's public lands are supposed to be managed for multiple uses, including outdoor recreation, which generates $5.6 billion in consumer spending annually and supports 50,000 jobs. Yet, the oil and gas industry has the system rigged in its favor, and under the Trump Administration, development is being prioritized above every other use of our public lands, including outdoor recreation. This Administration's efforts to eliminate common-sense protections for hiking trails, big game herds, and drinking water – in the misguided pursuit of "energy dominance" – is a grave threat to Wyoming's public lands, economy, and our natural heritage.

Nearly All of Wyoming's Public Lands are Open to Oil and Gas Leasing

- •94% of Wyoming's public lands are open to leasing, including lands bordering treasured national parks and monuments like Yellowstone and Devils Tower.
- Since January 2017, oil and gas companies have tried to lease several places with important competing values, including lands within towns and cities, a municipal airport and critical habitat for Greater sage-grouse.

Oil & Gas Companies are Not Using Thousands of Drilling Permits and Leases in Wyoming

- In Wyoming, oil and gas companies hold in excess of 2,000 unused federal drilling permits – a two-year supply, based on historic drilling rates.
- On Wyoming's public lands, oil and gas companies are sitting-on over 6,100 non-producing oil and gas leases, encompassing 4.8 million acres of public lands.

Oil & Gas Companies and CEOs are Making Billions from Public Lands Drilling

- EOG Resources, QEP Resources and Exxon Mobil are among the largest federal leaseholders in Wyoming, together controlling 3,100 leases covering 827,000 acres of public lands.
- Between 2007 and 2016, these companies made over $315 billion in profits and, in 2016 alone, paid their CEOs in excess of $40 million.
- Meanwhile, in March, Wyoming cut nearly $35 million from its K-12 account, largely as a result of decreased revenues from the downturn in oil and gas prices.

Western Values Project

Energy Prices – Not Common-Sense Protections for Our Public Lands – Drive Oil & Gas Activity

- From 2008 to 2015, oil and gas prices declined significantly, with oil prices decreasing by 51% and gas prices by 70%.
- Over the same period and in response to prices, oil and gas activity declined in Wyoming. On state lands, leasing fell from roughly 196,000 acres in 2008 to 122,000 acres in 2015, a decrease of 38%. The number of active drill rigs in the state also fell by 85%.
- Industry itself has cited prices as the primary factor behind the recent declines. EOG Resources, the top federal leaseholder in Wyoming, said that "substantial declines in crude oil, natural gas and NGL prices that began in 2014 and continued in 2015 and 2016 materially and adversely affected the amount of cash flows we had available for our capital expenditures", which are typically used to bankroll new leases and drilling projects.

Taxpayers are Missing Out on Billions in Revenue Because of Unnecessary Industry Subsidies

- Taxpayers heavily subsidize the oil and gas industry with fiscal terms – royalty and rental rates, minimum lease bids and reclamation bonds – that are woefully outdated. Royalty rates were established in the 1920s, reclamation bonds in the 1950s and 60s and rental rates and minimum bids in the 1980s.
- Most western states have taken steps to modernize their oil and gas fiscal terms. Wyoming uses a royalty rate of 16.67% for state lands (compared to 12.5% on federal lands), and sets bonds at $75,000/state-wide (compared to $25,000/state-wide on federal lands).
- According to the Congressional Budget Office and GAO, modernizing the fiscal structure for public lands oil and gas development could generate upwards of $1 billion in new revenue for federal and state taxpayers over the next decade, with "negligible" impacts on production.

Oil & Gas Companies are Abusing Loopholes to Skip-Out on Payments to Taxpayers

- Since 2007, BLM has "suspended" more than 1,600 oil and gas leases on Wyoming's public lands, encompassing 1.2 million acres. Lease suspensions allow oil and gas companies to avoid making royalty and rental payments, which are split evenly between the U.S. Treasury and states.

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[2] https://wilderness.org/sites/default/files/TWS%20DataMapInsert%20Updated%20June%202016.pdf
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