



Acting BLM Director William Perry Pendley Used To Work On Behalf Of The Petroleum Association Of Wyoming...

...Now BLM Is Bailing Out Public Lands Oil Drillers In Wyoming More Than Anywhere Else

The Petroleum Association Of Wyoming Worked Directly With BLM On Its Royalty Relief Program, And Is Eager To Get More Bailouts For Its Members Who Drill On Public Lands

William Perry Pendley Was Recused From Working On Particular Matters Involving the Petroleum Association of Wyoming For Two Years

William Perry Pendley is Recused from Participating Personally and Substantially In Particular Matters Involving Specific Parties That Are Directly and Substantially Related to the Petroleum Association of Wyoming Until July 15, 2021 Under EO 13770, Paragraph 6. [William Perry Pendley Recusal List, accessed [06/02/20](#)]

- **William Perry Pendley Is Also Recused from Participating Personally and Substantially In Particular Matters Involving Specific Parties That Are Directly and Substantially Related to the Petroleum Association of Wyoming Under 5 C.F.R 18 § 2635.502 and 5 C.F.R 18 § 2635.101(b)(14).** [William Perry Pendley Recusal List, accessed [06/02/20](#)]

But Now The Agency He Leads Is Giving Bailouts To Wyoming Oil Producers More Than Anyone Else

BLM Has Offered A Pandemic Bailout To Public Lands Oil Producers Through Lease Suspensions And Royalty Relief. "In all, more than 1,000 applications for royalty relief or lease suspensions have flooded Western BLM state offices following Interior guidance last month that promised rapid processing during the COVID-19 pandemic, according to the documents. Interior officials have not released full information about those requests amid scrutiny of what critics have deemed a bailout to industry, prompting frustrated House Democrats to push for hard numbers." [E&E, [05/20/20](#)]

A June 1 Analysis Of Data From BLM's LR2000 Database Shows That Of Approved Suspension Requests, Most Have Gone To Producers In Wyoming. [BLM LR2000 Lease Suspension And Royalty Relief Database, [06/01/20](#)]



- **BLM Has Approved 432 Requests For Royalty Relief And Lease Suspensions As Of June 1, 2020.** [BLM LR2000 Lease Suspension And Royalty Relief Database, [06/01/20](#)]
 - **Of Those Requests, 348 Have Been In Wyoming.** This amounts to 80.5 percent of all approved lease suspensions and royalty reductions during the pandemic. [BLM LR2000 Lease Suspension And Royalty Relief Database, [06/01/20](#)]
- **Approved Suspensions And Royalty Relief Requests Have Impacted 382,300 Acres Of Public Land As Of June 1, 2020.** [BLM LR2000 Lease Suspension And Royalty Relief Database, [06/01/20](#)]
 - **Of The Total Acreage, 281,629 Acres Have Been In Wyoming.** [BLM LR2000 Lease Suspension And Royalty Relief Database, [06/01/20](#)]

The Petroleum Association Of Wyoming Has Bragged About Its Influence On BLM's Royalty Relief Bailouts

Pete Obermueller, Director Of The Wyoming Petroleum Association, Gave A Presentation To The Wyoming Business Council On April 15, 2020 About His Association's Efforts To Respond To The Pandemic. Pete Obermueller said, "I wanted to talk just real quickly about a few of the efforts that the Association has been making to A.) respond to the immediate needs related to the coronavirus." [Wyoming Business Council on Youtube, [04/15/20](#) (00:08:04)]

Pete Obermueller Said That His Association Worked Directly With BLM To Develop A Template Application To Make It Easier For Oil Companies To Get Relief. Pete Obermueller said, "Essentially, it boils down to, in the case of leases and APDs for exploration and production, both at state lands and at the federal government, they're both operating on a case-by-case basis. And so I have asked operators to reach out. As it relates to royalty reductions on federal lands, the Washington BLM office has directed that that can happen on a lease-by-lease basis with applications at the state Office. And that's been a little bit tricky as there's not been guidance about that. However, PAW and other attorneys are working on a potential template application, and we're working with the state BLM office to help ease their burden on that as well, so that we can get that out to all operators large and small to be able to apply for temporary royalty relief on a lease-by-lease basis, to the extent that that the national legislature or the national office doesn't go to blanket royalty relief." [Wyoming Business Council on Youtube, [04/15/20](#) (00:09:58)]

- **Obermueller Said Agencies' Response To His Efforts Have Been Favorable.** Obermueller Said Pete Obermueller said, "So, immediately what the association works towards doing is pushing the pause button a little bit and relaxing some of those requirements, so that in-person signatures weren't necessary, so that payments could be done electronically as opposed to physical checks. And that certain deadlines could be delayed without penalty. The agencies have responded in various ways, most of them have responded pretty favorably." [Wyoming Business Council on Youtube, [04/15/20](#) (00:09:15)]



Obermueller Also Said He Is Working With BLM To Resolve Difficulties With Processing Applications. Pete Obermueller said, "The most challenging thing right now, particularly for those operators operating on public lands, is how to engage with BLM. And that has been difficult because the situation has been fluid. There were efforts in the United States Congress to try to have royalty relief in the phase three package of the coronavirus response. That was blocked, and the department fell back on its existing authority, which is lease-by-lease. I think that shift by the Washington office caught the states by surprise a little bit and so they weren't really prepared for an influx of requests with respect to individual royalty relief. So that's an issue we're working to try to resolve as we Speak." [Wyoming Business Council on Youtube, [04/15/20](#) (00:17:38)]

And Many Of The Biggest Beneficiaries Of BLM Bailouts In Wyoming Are Petroleum Association Of Wyoming Members And Sponsors

Chesapeake Exploration Has Received 109 -- A Quarter Of All Approvals During The Pandemic-- Separate BLM Lease Suspensions, More Than Any Other Company. Chesapeake Exploration has a majority stake in 109 suspended BLM leases in Wyoming, spanning 73,104 acres. [BLM LR2000 Lease Suspension And Royalty Relief Database, [06/01/20](#)]

- **Brian Woodward Of Chesapeake Energy Is On The Petroleum Association Of Wyoming's Board Of Directors.** [Petroleum Association Of Wyoming, accessed [06/02/20](#)]
- **Drew Harold Of Chesapeake Operating Is The Chairman Of The Petroleum Association Of Wyoming's Government Relations Tax Subcommittee.** [Petroleum Association of Wyoming, accessed [06/02/20](#)]
- **Chesapeake Exploration Is A Wholly-Owned Subsidiary Of Chesapeake Energy.** [SEC Form 10-K, accessed [06/02/20](#)]

Chesapeake Energy Has Been Assessed \$25 Million In Penalties For Racketeering And Nearly \$14 Million For 14 Environmental Violations. [Violation Tracker, accessed [05/18/20](#)]

- **Chesapeake Paid \$6.5 Million In Clean Water Act Penalties After It Was Caught Dumping Waste At 27 Separate Sites, Impacting Streams And Wetlands.** "The U.S. Environmental Protection Agency and the Department of Justice announced that Chesapeake Appalachia, LLC, a subsidiary of Chesapeake Energy, the nation's second largest natural gas producer, will spend an EPA-estimated \$6.5 million to restore 27 sites damaged by unauthorized discharges of fill material into streams and wetlands and to implement a comprehensive plan to comply with federal and state water protection laws at the company's natural gas extraction sites in West Virginia, many of which involve



hydraulic fracturing operations." [EPA, [12/19/13](#)]

- **Chesapeake Paid A \$25 Million Penalty In Michigan After It Conspired With Another Oil Company To Avoid Bidding Wars In 2015.** "Chesapeake Energy Corp. agreed to pay \$25 million to a victims compensation fund in settlement of allegations it conspired with Encana Oil & Gas to avoid bidding wars for Michigan oil and gas leases. It also pleaded guilty to one count of attempted antitrust violations, a misdemeanor, and one count of false pretenses, a misdemeanor. Criminal sentencing was suspended on condition of abiding by settlement terms. Encana settled the allegations against it in 2014." [Violation Tracker, accessed [05/18/20](#)]

Northwoods Lands, Inc Has Received 16 Separate BLM Lease Suspensions Totaling 11,762 Acres. [BLM LR2000 Lease Suspension And Royalty Relief Database, [06/01/20](#)]

- **Kaylene Gardner Of Northwoods Is On The Petroleum Association Of Wyoming's Board Of Directors.** [Petroleum Association Of Wyoming, accessed [06/02/20](#)]
- **Gardner Is Also On The Petroleum Association Of Wyoming's Management Committee.** [Petroleum Association Of Wyoming, accessed [06/02/20](#)]

Kirkwood Oil And Gas And Nerd Gas Company Share 54 BLM Leases Have Received Royalty Relief In. This is the 2nd most of any company. The leases are on BLM land in Utah encompassing 71,328 acres. [BLM LR2000 Lease Suspension And Royalty Relief Database, [06/01/20](#)]

- **Steve Degenfelder Of Kirkwood Oil and Gas Is The Vice Chairman Of The Petroleum Association Of Wyoming's Board.** [Petroleum Association Of Wyoming, accessed [06/02/20](#)]
- **Cary Brus Of Nerd Gas Company Is The Vice Chairman Of The Petroleum Association Of Wyoming's Board.** [Petroleum Association Of Wyoming, accessed [06/02/20](#)]
- **Separately, Kirkwood Oil Received A Suspension For A 1,630-Acre BLM Lease In Wyoming.** [BLM LR2000 Lease Suspension And Royalty Relief Database, [06/01/20](#)]

Three Of The Companies Receiving The Most BLM Lease Suspensions Are Platinum Sponsors Of The Petroleum Association Of Wyoming.

- **Chesapeake Energy Is A Platinum Sponsor Of The Petroleum Association Of Wyoming.**



2020 PLATINUM SPONSORS	CONTACT
The logo for Chesapeake Energy, featuring the word "CHESAPEAKE" in blue and "ENERGY" in grey, with a green underline under "CHESAPEAKE".	Petroleum Association of Wyoming 951 Werner Court, Suite 100 Casper, WY 82601-1351 PHONE: 307.234.5333

[Petroleum Association Of Wyoming, [accessed 06/02/20](#)]

- **Chesapeake Exploration Has Received 109 Separate BLM Lease Suspensions.** [BLM LR2000 Lease Suspension And Royalty Relief Database, [06/01/20](#)]

Samson Resources Is A Platinum Sponsor Of The Petroleum Association Of Wyoming.

2020 PLATINUM SPONSORS	CONTACT
The logo for Samson Resources, featuring a stylized green and grey graphic to the left of the text "Samson Resources".	Petroleum Association of Wyoming 951 Werner Court, Suite 100 Casper, WY 82601-1351 PHONE: 307.234.5333

[Petroleum Association Of Wyoming, [accessed 06/02/20](#)]

- **Samson Resources Has Received 52 Separate BLM Lease Suspensions.** [BLM LR2000 Lease Suspension And Royalty Relief Database, [06/01/20](#)]

Northwoods Energy Is A Platinum Sponsor Of The Petroleum Association Of Wyoming.

2020 PLATINUM SPONSORS	CONTACT
The logo for Northwoods Energy, LLC, featuring the text "Northwoods Energy, LLC" in a bold, black, sans-serif font on a white background.	Petroleum Association of Wyoming 951 Werner Court, Suite 100 Casper, WY 82601-1351 PHONE: 307.234.5333

[Petroleum Association Of Wyoming, [accessed 06/02/20](#)]

- **Northwoods Lands, Inc Has Received 16 Separate BLM Lease Suspensions Totaling 11,762 Acres.** [BLM LR2000 Lease Suspension And Royalty Relief Database, [06/01/20](#)]



The Petroleum Association Of Wyoming Is Eager For More Even Bailouts, Both Through Direct Payments And Storing Oil In The Strategic Petroleum Reserve

The Petroleum Association Of Wyoming Is Eager For Its Members To Get Access To The Mainstreet Lending Program... "Changes made to a federal lending program last week could open up loans to Wyoming oil and gas firms left reeling from volatile oil prices and low fuel demand during the pandemic. The Federal Reserve released new guidelines Thursday for its Main Street Lending Program, geared to provide an additional layer of financial relief to small to midsize companies, including some heavily indebted firms with low credit ratings, during the COVID-19 pandemic. 'Wyoming's oil and natural gas industry is overwhelmingly comprised of small and mid-sized operators, but some of those were not eligible for the Payroll Protection Program (under the federal coronavirus relief package),' Ryan McConnaughey, communications director at the Petroleum Association of Wyoming, said in a statement. 'This program allows companies the ability to free up cash in the short-term to keep their doors open and Wyomingites employed . . .' The loans will give oil and natural gas companies access to federal aid 'just like any other employer in the country,' he added. U.S. businesses – not just energy companies – with fewer than 15,000 employees or less than \$5 billion in annual revenue could now qualify, according to the central bank." [*Wyoming Daily*, [04/30/20](#)]

...And To Lease Space In The Strategic Petroleum Reserve. "That precipitous drop in demand has stopped the normal flow of oil from storage, leaving producers with little incentive to produce. In Wyoming, there's still some room to store oil, but Pete Obermueller, president of the Petroleum Association of Wyoming, said it's not enough. 'We really only have one pipeline that goes from our region from Wyoming down to Cushing, [Oklahoma] and that pipeline is full. And so when we run out of storage here, there's no place to send it,' said Obermueller. He said it would help if the federal government opened up the Strategic Petroleum Reserve as soon as possible. That move was announced in mid-March." [*Wyoming Public Media*, [04/21/20](#)]

Obermueller Is Also Pushing Interior To Provide Relief Through "Regulatory Asks." Pete Obermueller Complained, "On the federal level, this is just me editorializing right now, but I those asks, the non royalty-relief-related asks-- which were was a big part of what the Petroleum Association asked the federal government for-- those have been bottled up in the discussion of royalty relief. So we have asked our delegation, we continue to push the Department of the Interior to focus on the non-royalty-relief regulatory asks-- clear those out-- and we can fight the fight on royalty relief as an ongoing matter. But the extension of leases and permits is pretty important both there and the state at the Oil & Gas Conservation Commission." [*Wyoming Business Council on Youtube*, [04/15/20](#) (00:21:49)]

Pendley Has A History Of Favoritism Toward Industry In Wyoming-- He May Have Been Forced Out Of The Reagan Administration After Dining With And Giving Favors To Wyoming Coal Executives

Pendley Was Implicated in Approving Below-Market Coal Lease Sales in the



Powder River Basin The Same Day He Dined With Coal Industry Representatives...

Pendley Advocated For The “Highest Possible Level Of Leasing” In The Powder River Basin When Working At Interior Under President Reagan. When the Interior Department, months after President Reagan took office, was planning its first sale for coal in the Powder River Basin in Wyoming and Montana, William Perry Pendley weighed in, advocating for the ‘highest possible level of leasing.’ ‘Our objective should be to lease more than enough coal to allow the states, industry, and the market place to function freely,’ Pendley wrote in a May 1981 memo on behalf of Interior’s energy and minerals offices, pushing for an unprecedented 18 tracts of land containing 2.5 billion tons of coal to be offered.” [*E&E News*, [09/30/19](#)]

A 1984 Report From The Government Accountability Office Found That The Powder River Basin Sale Was Below-Market and Implicated Pendley. “[William Perry Pendley’s] past tenure as the deputy assistant secretary for energy and minerals, part of Wyoming-native James Watt’s Department of the Interior during the Reagan administration, however, was brief and marred by controversy. Pendley was reassigned from that post and the department after a 1984 Government Accountability Office report found that Interior officials made a series of inappropriate decisions in a 1982 basin coal lease. The report found that the 1.6 million acre sale was executed between \$60 and \$100 million dollars below its proper valuation between \$159 and \$265 million in today’s dollars. The deal had a lasting impact. Federal coal leases carry an initial term of 20 years, and the GAO report mentioned Pendley by name in an analysis of factors that led to the below-market-price sale.” [*The Platte County Record-Times*, [08/08/19](#)]

- **The GAO Report Noted That Pendley Dined With Two Coal Company Attorneys The Same Day He Made A Favorable Decision Regarding The Powder River Basin Coal Leases.** “Pendley followed Watt into the Reagan administration and was singled out in a 1984 Government Accountability Office report on ethical missteps among leaders of the federal coal leasing program and an ‘incomplete and unreliable’ review by the agency’s inspector general. The GAO report highlighted a dinner Pendley, then head of the Minerals Management Service, and another Interior official and their wives attended a dinner with two coal company attorneys on March 19, 1982, the same day that Pendley and his colleague had made a favorable decision regarding bids on Powder River Basin coal leases. The coal company officials picked up the entire \$494.45 tab, or \$1,343 in today’s dollars.” [*The Washington Post*, [07/31/19](#)]

...Pendley May Have Been Fired In The Aftermath Of The Powder River Basin “Fiasco”

The Powder River Basin Sale, And One Later In The Same Year, Were Considered “Fiascos.” “But by most accounts, the 1982 sale and another for the Powder River Basin later that year were fiascos.” [*E&E News*, [09/30/19](#)]

Pendley’s Downfall Came In The Aftermath of the 1982 Powder River Basin Sale. “Pendley’s downfall came, indirectly, from the 1982 Powder River Basin sale.” [*E&E News*, [09/30/19](#)]



An Independent Commission Found Pendley And Other Officials “Had Acted Unwisely.” “The sale led Congress to convene an independent commission, which found that officials “had acted unwisely and had made significant decisions involving many millions of taxpayers’ dollars with significant impact on the environment without adequate documentation,” David Linowes, the commission’s head, said upon the body’s release of its major report in 1984, according to *The New York Times*.” [*E&E News*, [09/30/19](#)]

Pendley Was Reassigned and Left the Government Shortly After The GAO Report Was Released. “Pendley was reassigned from that post and the department after a 1984 Government Accountability Office report found that Interior officials made a series of inappropriate decisions in a 1982 basin coal lease.” [*The Platte County Record-Times*, [08/08/19](#)]

Pendley Did Not Respond To Questions As Whether He Had Been Fired. “Clark removed Pendley almost six months after the inspector general’s report on the dinner paid for by coal attorneys, but it’s unclear if that played into his decision. The Department of Justice declined to prosecute him for a potential ethics violation. Pendley didn’t respond to *E&E News*’ question after a House hearing last month about whether he had been fired. He went on to take over the leadership of the Mountain States Legal Foundation, which Watt had founded in 1977 and briefly led.” [*E&E News*, [09/30/19](#)]